

Important Documents on the Government's Mainland Policy



Mainland Affairs Council
Executive Yuan
Republic of China

December 2011

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**President Ma's Speeches and Remarks – On ROC's
Mainland policy and the future of the country**

President Ma holds press conference on “cross-strait peace agreement”

Date: Oct. 20, 2011

Ma Ying-jeou

President, Republic of China

President Ma Ying-jeou held a press conference on the morning of October 20 at the Presidential Office to reiterate that the government has no timeline for entering into a cross-strait peace agreement, and would only do so where the following three preconditions were met: 1) such an agreement would have to be necessary to the ROC; 2) it would have to be supported by the public; and 3) the entire process would have to be subject to oversight by the national legislature. The president further explained that “supported by the public” means support as indicated in public opinion polls, a resolution of the national legislature, or a referendum. Should a referendum fail to pass, a peace agreement would not be sought.

The press conference was attended by Vice President Vincent C. Siew, Premier Wu Den-yih, Minister of the Mainland Affairs Council Lai Shin-yuan, Minister of the Government Information Office Philip Y.M. Yang, and Vice Minister of Foreign Affairs Ssu-Tsun Shen.

The following are the president’s remarks at the press conference:

On October 17, at the last in the series of press conferences I held to discuss the “Golden Decade, National Visions” plan, I focused on the topics of “cross-strait peace” and “friendly relations with the international community.” Let me first address “cross-strait peace.” Regarding this topic, we put forward a very important concept: “Based on a comprehensive evaluation of conditions at home and abroad, we will consider working for the signing of a cross-strait peace agreement in order to safeguard a lasting peace across the Taiwan Strait. However, before seeking a cross-strait peace agreement, there would have to be strong social consensus in support of it, and there would also have to be a sufficient degree of mutual trust between the two sides of the Taiwan Strait. Moreover, any agreement would have to be necessary to the ROC, it would have to be supported by the public, and the entire process would have to be subject to oversight by the national legislature.” Since we put forward this idea, the opposition parties have raised quite a few specious accusations and created confusion among the public. For that reason, I must provide another explanation of my administration’s approach to cross-strait peace so that discussions on this matter of public interest will remain properly focused.

I must stress at the outset that when we held a press conference on the “golden decade” at the end of September, I clearly explained that national security and social harmony constitute the foundation of everything the government does. That is why our vision for accomplishment of the “golden decade” is predicated upon the “four assurances,” which are: 1) to ensure that the sovereignty of the Republic of China remains independent and unimpaired; 2) to ensure the safety and prosperity of Taiwan; 3) to ensure ethnic harmony and cross-strait peace; and 4) to ensure a sustainable environment and a just society.

The first three assurances are directly related to the subject of today’s press conference. Democratic Progressive Party (DPP) Chairwoman Tsai Ing-wen is of the opinion that signing

a peace agreement would do harm to Taiwan's sovereignty, but in the first of the "four assurances" we expressly declared our intention to "keep the sovereignty of the Republic of China independent and unimpaired," so the situation foreseen by Chairwoman Tsai will not come about. Second, the "four assurances" will make it completely impossible for the four dangers mentioned by Chairwoman Tsai to ever materialize. In addition, Chairwoman Tsai said that once Taiwan and the mainland sign a peace agreement, it would change the status quo in the Taiwan Strait. The actual facts, however, are quite to the contrary. We won't push for the signing of a peace agreement unless three preconditions are met, which means that we intend to institutionalize the model for peaceful cross-strait interaction, and move forward slowly but steadily. The principles of addressing "easy issues before difficult ones," "urgent matters before non-urgent ones," and "economic matters before political ones" have not changed, and the principle of maintaining the status quo of "no unification, no independence, and no use of force" in cross-strait relations will not change. The point of signing a peace agreement, therefore, is to consolidate the "no unification, no independence, and no use of force" status quo. This status quo enjoys mainstream support in Taiwan. Numerous public opinion polls conducted by the Mainland Affairs Council have shown that over 80% of the general public is in favor of the "no unification, no independence, and no use of force" status quo.

The three important preconditions that must be met before the signing of any cross-strait peace agreement are the following: 1) it would have to be necessary to the ROC; 2) it would have to be supported by the public; and 3) the entire process would have to be subject to oversight by the national legislature. As for the manner in which public support is gauged and legislative oversight is exercised, we of course do not rule out the use of public opinion polls, a resolution of the legislature, or a referendum. All of these are ways of demonstrating the will of the people. And the news release we issued yesterday expressly states that before seeking a cross-strait peace agreement, we would first put the matter up for a referendum, and if the referendum didn't pass, then we wouldn't seek a cross-strait peace agreement. If any one of the three preconditions we set out were not met, we would not sign an agreement. Our position is thus both resolute and careful.

Nowhere in our plans for a "golden decade" do we say that we are absolutely going to sign an agreement within 10 years. We are simply stressing that within the coming 10 years there will be no way for us to avoid the issue of cross-strait peace. We must face it. We are calling on everyone to think seriously about this issue. So, we do not feel we have to enter into an agreement in any particular year. I've been very clear on this point in two different press conferences.

Regrettably, the DPP drew a comparison with the "Agreement of the Central People's Government and the Local Government of Tibet on Measures for the Peaceful Liberation of Tibet." This comparison is completely absurd. To liken Taiwan to Tibet is pure gibberish, because mainland China treated the agreement as something between the "central government" and "a local government," and it used the word "liberation." How is that comparable to a peace agreement between us and mainland China? I believe the DPP seriously diminishes Taiwan's stature by speaking this way, and ignores the fact that the

Republic of China is a nation that enjoys independent sovereignty. So I completely reject what Chairwoman Tsai said, and urge her not to speak any more in a manner that diminishes the stature of our nation.

The DPP has questioned the idea of our signing a peace agreement with mainland China, but Chairman Tsai seems to forget that in 2003, when she was serving as Minister of the Mainland Affairs Council, the then President Chen Shui-bian spoke of the need for a “peace and stability framework agreement for cross-strait interaction,” and this agreement would have placed great stress on the principle of peace. President Chen called for establishment of a negotiation mechanism, exchanges based on equality and reciprocity, establishment of a political relationship, and prevention of military conflicts. Eight years ago, Chairwoman Tsai was promoting this very work, yet now, eight years later, she criticizes our viewpoint. She is flip-flopping on this issue.

There is one point that I must emphasize—in order to bring about a lasting peace between Taiwan and mainland China, we put forward the idea of entering into a cross-strait peace agreement once three preconditions were met. Our fundamental objective in doing so is to consolidate a lasting cross-strait peace. This point is very clear.

We’ve seen people with ulterior motives continually twist the truth. When they called for essentially the same thing eight years ago, it showed their “love for Taiwan.” Now that we’re calling for it, they turn around and engage in sophistry. This is not fair or reasonable. The “golden decade” concept is a 10-year framework. All sorts of things can happen in 10 years. We must prepare for the unexpected, and once it comes about, we will face the situation and deal with it in the best way for us. I will emphasize once more that what we’re talking about now is predicated on the meeting of certain preconditions, and until those preconditions are met, we will not proceed, because we adhere to the principle that “it would have to be necessary to the ROC, it would have to be supported by the public, and the entire process would have to be subject to oversight by the national legislature.” Maintaining the “no unification, no independence, and no use of force” status quo is the best way to safeguard cross-strait peace.

Peaceful cross-strait ties, friendly international relations

Date: Oct. 18, 2011

Ma Ying-jeou

President, Republic of China

President Ma Ying-jeou on the afternoon of October 17 hosted the fifth in a series of “Golden Decade, National Visions” press conferences to explain his seventh and eighth visions, i.e. cross-strait peace and friendly relations with the international community.

He reiterated that since he took office in May 2008, his administration has sought to maintain the status quo across the Taiwan Strait via the “no unification, no independence, and no use of force” policy, which has been carried out under the framework of the ROC Constitution. This approach upholds the sovereignty of the ROC and safeguards Taiwan’s ability to decide its own affairs. It also promotes the people’s wellbeing. Over the next decade, he will continue working to consolidate the sovereignty of the ROC, build up Taiwan’s strength, take cross-strait relations in a positive direction, and establish long-term peace and stability in the Taiwan Strait.

He remarked that over the past three-plus years, the joint efforts made by the government and the public have resulted in accomplishments that few would have deemed possible. Though the viewpoints of the ruling and opposition parties vary and the government has come under criticism at times, this is the normal state of democracy. He truly hopes that the public realizes he is willing and ready to do his best for the nation, and that he will devote the rest of his life to this land and its people to create a better environment for future generations.

The following is the content of the president’s remarks:

Today is the final press conference on the “Golden Decade, National Visions” blueprint. Today I will discuss the last two visions—cross-strait peace and friendly relations with the international community. “Cross-strait peace” includes “cross-strait relations” and “national defense and security.” “Friendly relations with the international community” includes every level of the ROC’s foreign relations.

The issues of “cross-strait relations” and “national defense and security” constitute the core focuses of this government’s work. The single most important reason why we’ve been able to talk at such length over the past month about the “Golden Decade, National Visions” blueprint is that the two sides of the Taiwan Strait are at peace, a situation that we’ve been able to achieve precisely because we have the confidence to pursue peaceful cross-strait relations. Cross-strait peace is a necessary precondition to development in other areas.

Over the past three-plus years, under the framework of the ROC Constitution, we have promoted the status quo between the two sides of the Taiwan Strait based on the principle of “no unification, no independence, and no use of force.” On the one hand, this approach upholds the ROC’s sovereignty and safeguards Taiwan’s ability to decide its own affairs, and at the same time it promotes the people’s wellbeing. Repeated public opinion polls carried out by the Mainland Affairs Council have indicated that the direction of government policy

reflects mainstream public opinion in Taiwan. Over the next 10 years, we of course will continue working to “consolidate the sovereignty of the ROC,” “build up Taiwan’s strength,” “take cross-strait relations in a positive direction,” and “establish long-term peace and stability in the Taiwan Strait.” These will constitute the main policy focuses of the government’s conduct of cross-strait relations.

To achieve these objectives, the key is to rely on Taiwan’s three lines of defense, which I have discussed on numerous occasions in the past, namely institutionalizing cross-strait rapprochement, enhancing Taiwan’s contributions to international development, and aligning Taiwan’s defense with diplomacy. This is how we intend to establish a lasting peace.

In the area of cross-strait relations, we are proposing several concrete measures, including the following.

First, we aim to promote Taiwan’s core values: freedom, democracy, human rights, and rule of law. In other words, in the course of interaction with mainland China, regardless whether the interaction takes place between the authorities or between private individuals, we hope to see a consensus built gradually on both sides in support of these core values.

Second, cross-strait policy embodies a set of core principles. We emphasize maintaining the status quo in the Taiwan Strait via the policy of “no unification, no independence, and no use of force,” and under the framework of the ROC Constitution. Toward that end, an extremely important principle in interaction is “mutual non-recognition of sovereignty and mutual non-denial of authority to govern.” Once positive interaction like this has been established, both sides can feel comfortable in moving forward. This will enable truly peaceful cross-strait relations.

Concrete objectives we have in mind include further stabilization of cross-strait relations, institutionalization of modes of interaction, and a gradual effort to move toward the establishment of cross-strait representative offices so that the two sides can handle cross-strait affairs more efficiently. In actual fact, for a long period of time following the resumption of cross-strait talks on the basis of the 1992 Consensus, i.e. “one China, respective interpretations, the frequency, depth, and range of issues addressed in cross-strait talks have increased dramatically. The need to establish cross-strait representative offices is gradually becoming apparent. I hope that we can start working on plans for that.

Meanwhile, an important principle we have always embraced in the conduct of cross-strait relations is “proceeding step by step in an orderly fashion,” which means that we address urgent issues before non-urgent ones, easy issues before difficult ones, and economic matters before political ones. After more than three years in office, we are now also thinking about whether, during the next 10 years, we should carefully consider signing a cross-strait peace agreement. Again, note that in pursuing such an undertaking, we would proceed step by step in an orderly fashion. Moreover, we would not even take the first step toward seeking an agreement unless the following three preconditions were met: first, it would have to be strongly supported by the public; second, it would have to be truly necessary to the ROC; and the entire process would have to be subject to oversight by the national legislature.

Secondly, the cross-strait trade and economic relationship is becoming increasingly complementary. But complementary in what ways? We must have a global strategy for our economic and trade relations, and cross-strait matters must be addressed within it. Our government is now in the midst of close discussions with the mainland on several thousand trade items not included in the Economic Cooperation Framework Agreement (ECFA) early harvest lists. Moving ahead one step at a time, we are working out mutual tariff concessions, eliminating non-tariff trade barriers, and gradually eliminating restrictions on the conduct of cross-strait financial services. We have already taken a first step forward, and in the future will need to further relax restrictions, always proceeding step by step in an orderly fashion. Similarly, we have not made any big moves to allow mainland-invested firms to establish a presence in Taiwan, but there could be further progress on this front during the “golden decade” that lies ahead, because the mainland-invested firms already established in Taiwan have brought about 80 mainlanders in senior management positions to Taiwan while creating over 3,000 jobs here. On balance, this is beneficial to Taiwan. Now that the ECFA has been signed, Taiwan can serve as the world’s gateway to mainland China. At the same time, Taiwan can also serve as a gateway for mainland firms wanting to work with Taiwan counterparts to develop global markets. If Taiwan can play such roles as these, it will come to play a bigger role in the global economy.

Another special feature of Taiwan is a free and democratic environment that gives rise to diversity and pluralism, and a relatively mature civil society. We therefore encourage interaction among private organizations from each side of the Taiwan Strait so as to develop a Chinese culture with Taiwan characteristics. The people of both sides are ethnically Chinese, so we should be able to find areas in which we can cooperate and assist each other. We need to support the flourishing development of civil society on both sides, which includes people from the mainland studying in Taiwan and allows for close cultural ties. All of these are extremely important tasks that need to be undertaken jointly by the two sides over the coming 10 years.

The second aspect of the vision for “cross-strait peace” is “national defense and security.” I have stressed on many occasions that the first of several roles the Republic of China needs to play in the international community is that of a peacemaker, but peace doesn’t just drop out of the sky. It must be worked at. Our purpose in building up our military capabilities and maintaining readiness is to prevent war, not to seek it. Even as we work to institutionalize cross-strait ties and bring about peaceful relations, we must also demonstrate our determination to defend ourselves. That is the only way our people can confidently allow their government to further deepen and improve relations with the mainland. We will therefore continue to maintain close relations with the United States, Japan, and other neighboring nations. In particular, our defense and security cooperation with the United States will continue. The United States recently agreed to help us upgrade our fleet of F-16A/B fighter jets, and I will continue calling on the United States to sell us F-16C/D fighters and diesel submarines. As I have stressed repeatedly, our decisions about which weapons we seek to buy are guided by three principles that will not change: They must be weapons that cannot be produced in Taiwan, they must be defensive in nature, and they must be used to replace aging armaments.

Lastly, I would like to discuss foreign relations. We use the term “viable diplomacy” as an overall description of the policy I have followed since taking office in May 2008. The main objective of viable diplomacy is to maintain a pragmatic and flexible approach. Over the past three-plus years, the number of nations that maintain formal diplomatic relations with us has remained at 23. In addition, over this period, the number of jurisdictions granting visa-free courtesies or landing visas to ROC nationals has increased by 70. This proves that the diplomatic policy we have adopted is the correct one. It has been welcomed by the international community and it should continue to be implemented. We will continue seeking to play the following five roles in the international community: “peacemaker, provider of humanitarian aid, promoter of cultural exchanges, creator of new technologies and business opportunities, and standard-bearer of Chinese culture.” This will serve as the direction of our diplomacy, and is what our diplomats will strive towards in their work. Diplomats from Taiwan and mainland China no longer need to engage in contentious struggle to lure away each other’s diplomatic allies. In other fields, meanwhile, we need to make serious efforts to serve the international community. In particular, the people of Taiwan are very compassionate, and countries throughout the world are increasingly noticing Taiwan’s presence in charitable and public service activities. This is an amazing facet of Taiwan’s soft power. I hope that we will be able to further demonstrate this through “Taiwan Academies “ or other cultural organizations.

At the same time, we are also vigorously promoting tourism. Tourism actually plays a very important role in cultural interaction. Taiwan is already off to a very good start in this area, and I hope that over the next 10 years we will be able to significantly expand the number of annual tourist arrivals to 10 million. Over this period, however, even more important for us is to boost the quality of the tourism experience while visitors are here in order to attract repeat visits. Meanwhile, we must also offer more in-depth travel experiences. Taiwan has so much to offer that is worthwhile for foreigners to understand Taiwan, and tourism is a great way to make it happen.

In summary, the “Golden Decade, National Visions” blueprint demonstrates our government’s confidence and pragmatism. I am delighted to comprehensively unveil our visions in their entirety to the people of the ROC, so that we can all work together in the interest of the nation.

The following are the president’s remarks summarizing the “Golden Decade, National Visions” blueprint:

Over the past several weeks I have held five press conferences to introduce the “Golden Decade, National Visions” blueprint, which includes eight major visions and 31 main policy focuses.

Over the course of this period, we have heard many opinions on this initiative. Broadly speaking, these opinions can be boiled down to three basic questions. First, why have we proposed so many national visions and policies? Second, how does our “golden decade” differ from the ten-year plan that has been proposed by other people? And lastly, how are we going to implement so many visions and policies? Since this is the last of the five press conferences

on our visions for a “golden decade” blueprint, I would like to respond to these questions.

First, in proposing these visions for a “golden decade,” what is our purpose? Everyone knows that, as president of the Republic of China, I must have a long-term focus. The policies that I am proposing are not tailored to the next presidential election. Rather, my proposals are aimed at generating wellbeing for the next generation. That’s why the time frame I mention is not four years, but 10.

Secondly, I first unveiled my visions for a “golden decade” in an address that I delivered way back on May 19 last year, on the eve of my second anniversary in office. At that time, I had already given careful consideration to these issues. Over the past year, we have thought things through in even more detail and the plans have become more concrete. Therefore, I am now reporting them to the public.

Looking at this issue from another angle, why are we aiming to carry out this blueprint? We all need to look at the world around us. The challenges before us are severe. We must act responsibly, face up to these challenges, and put forward policies in response. That’s the only way the public can understand the direction in which the president intends to lead the nation. Many people ask what direction the country should take in the future. Over the past three-plus years, the path we have chosen has absolutely been the correct one. Regardless whether the subject is national defense, diplomacy, or cross-strait policy, we can all propose good approaches and report on them to the public. With regard to economic development, for example, we have clearly set the goal of joining the Trans-Pacific Partnership within 10 years. Although we are not currently qualified to join, we must quickly take steps to meet the qualification requirements. But we cannot focus solely on economic development. We also need to be concerned about the people’s quality of life. Consequently, we have adopted a number of quality-of-life benchmarks and will work to reach the standards of the Organisation for Economic Co-operation and Development. The leader of a nation must focus on these sorts of big-picture issues, and must explain to the public in what direction he or she intends to lead the nation.

Some have asked how our “golden decade” idea differs from the 10-year plan that has been put forward by other people. Our 10-year plan, for one thing, is a continuation of past policies, but even more importantly, it represents an entirely new approach. Some of the policies that I have promoted or implemented since coming to office were not in my campaign platform. Of the more than 400 policies in my platform, 91% have already been wholly or partly implemented. Things not originally in my platform include second-generation national health insurance and 12-year compulsory education. In addition, I originally proposed the idea of having three special municipalities, but ultimately that was changed to the creation of five special municipalities. Why did developments take a turn in this direction? The reason is that times change, the objective environment changes, and trends change, so we must adopt pragmatic and forward-looking thinking to promote policies and adapt to new conditions. For instance, shortly after I took office, the government began issuing consumption vouchers to the public to boost spending and offset the effects of a rapid economic slowdown caused by the global financial tsunami. This is something that I had not anticipated. Nonetheless, the

issuance of consumption vouchers at that time would have a beneficial impact on society and the economy. So we took the move, and it proved to be the right decision.

We took this route to present the people with a clear choice, and to spur them to think about the direction of national policy. I therefore welcome the Ten Year Policy Manifesto that has been proposed by the presidential candidate from the Democratic Progressive Party. This shifts the focus of debate to public policy, which is normal in a democratic society. In the course of this debate, we can see that regardless of how far apart the ruling and opposition parties are on certain issues, on other topics both sides actually are in consensus. This is an extremely valuable experience. Taiwan's democratic system places great stress on reaching consensus through rational debate.

However, various differences still exist between both sides. For instance, let's look at the issue of "residential justice," which constitutes one part of my vision for "a just society." We have already unveiled various policies and actually many of these policies have already been put into practice over the three years of my administration. These include the institution of a luxury tax, the registration of prices of real estate and land transactions at the actual price at which they were carried out, and the expropriation of land at market prices. All of these policies are not adopted just for the present, but will continue to be followed in the future. In addition, our "golden decade" concept takes into consideration the entire world, with the Asia-Pacific region serving as the core, and the ROC on Taiwan as the main actor. In other words, this follows through on our frequently stated policy of "building up Taiwan while linking with the Asia-Pacific region and deploying globally." This state of affairs took shape four years ago. As long as the overall state of affairs requires no changes, it is enough that we simply do a bit of tweaking with the details.

I recall that last year when I engaged in a debate with DPP Chairwoman Tsai Ing-wen she remarked, "The direction of the Kuomintang is to reach the entire world via mainland China. We, on the other hand, will reach mainland China via the rest of the world." I believe that we shouldn't have to pick between the two, but can take both routes simultaneously. For example, we have signed the ECFA with mainland China, and we have also been in contact with Singapore and other nations about the possibility of negotiating economic cooperation accords. Nothing is set in stone about what must come first. In fact, we can proceed concurrently on many fronts. Actually, from the signing of the ECFA in late June 2010 to the end of September this year, the ratio of our trade with mainland China as a portion of our overall external trade has not significantly increased in comparison with three years ago. While the volume of trade with the mainland has increased, the ratio to total trade has remained constant. Why is this? It is because the growth of trade with other regions has been even higher. This shows that our policy of diversifying our export markets has been a success. We will most certainly not stress the mainland to the exclusion of international markets, or vice versa. We can strike a proper balance between the two, because mainland China is a member of the international community. We have no particular ideological axe to grind in this respect.

So whose plan for the next 10 years is the more pragmatic, forward-looking, self-confident,

and bold? I have no doubt that whoever reads the details thoroughly knows the answer. The reason for this is that we have experienced and learned a lot over the past three-plus years. We know the sorts of things about which we can make bold statements and take decisive action with confidence in our ability to make good on our promises. Over the past three years, our efforts have been well received both at home and abroad. This doesn't mean that we are totally satisfied with what we have done. Over these three years, we have learned many things from experience in such areas as the economy, disaster preparedness and rescue, and the handling of outbreaks of infectious diseases. Step by step, we are improving our ability to execute policies. This is the reason why we are brimming with confidence about the future.

Lastly, how are we going to execute so many policies? In fact, this has been my personal style of governing for many years. The first time that I ran for Taipei City mayor, I unveiled a policy white paper that we issued in about 17 or 18 separate brochures. And the same thing was true again when I ran for re-election. When I was inaugurated as mayor, I asked the RDEC of Taipei City government to track the implementation of my white paper to make sure that what I outlined in my platform was being turned into policy and then gradually being carried out. Even though I was unable to achieve every policy vision, the vast majority of ideas were fulfilled. Some people ask why I have such a broad platform. To this, my answer is that I am being responsible to the voters. I cannot only speak empty words and draw big charts without telling the public how we are going to achieve these visions. That is not my style. This is why we are proposing the "Golden Decade, National Visions" blueprint. This is the ideal we are aiming to achieve.

I am a public servant. In my work, everything I do is for this land and its people. I must tell them the direction in which I desire to lead the nation. This is the least that is expected of a leader. I am confident that we have been extremely clear over the past three years on the path that we are taking. But what about the next 10 years? Do we need to make adjustments to this course? I would like to use this press conference to explain things to everyone.

Over the past three-plus years, the government and the public have worked together, and we have accomplished many things that few could have ever imagined. In particular, even though the opposition parties have different viewpoints and frequently criticize the government, this is what democracy is all about. I hope that everyone understands that I truly am pleased to be doing what I am doing and am willing to bear the pressure. I want to contribute the second half of my life to this land and its people in order to create a better environment for generations yet to come.

A Century of Struggle, a Democratic Taiwan

Date: Oct. 10, 2011

Ma Ying-jeou

President, Republic of China

Legislative Yuan President Wang Jin-pyng, Burkina Faso President Blaise Compaoré, Republic of Guatemala President Álvaro Colom Caballeros, Republic of Nauru President Marcus Stephen, Republic of Palau President Johnson Toribiong and Mrs. Toribiong, Vice Presidents and Prime Ministers of the ROC's diplomatic allies, delegations from around the world, members of the diplomatic corps and other representatives in the ROC, Vice President Vincent C. Siew, Presidents of the Five Yuan of the ROC, distinguished guests, compatriots from overseas, fellow citizens, journalists, and friends watching television:

Good morning to you all!

1. Why we commemorate the Xinhai Revolution

Today is the 100th birthday of the Republic of China, and the 100th anniversary of the Xinhai Revolution. It is with a buoyant spirit that we celebrate this occasion and share in the joy of this landmark moment in history. A hundred years ago today, the Wuchang Uprising, guided and set in motion by our founding father Dr. Sun Yat-sen, in one fell stroke toppled the Qing imperial government along with China's millennia-old monarchical tradition, thus establishing Asia's first democratic republic—the Republic of China. Today, people in Taiwan and other predominantly ethnic Chinese communities the world over, including mainland China, are commemorating Double Tenth.

It is with deep reverence that we here salute the idealistic, courageous, self-sacrificing revolutionaries of that time. We salute Lu Hao-dong of Guangdong, Huang Xing of Hunan, Qiu Jin of Zhejiang, Lin Jue-min of Fujian, and Luo Fu-xing of Taiwan. These are just a very few of the many heroes who fought to establish the Republic. Since the inception of the Republic 100 years ago, countless numbers of our citizens have perished amid the travails of the Northern Expedition, the War of Resistance against Japan, government action to end the Communist rebellion, and the defense of Taiwan and its outlying islands against invasion by Communist forces. The vast majority of those who gave their lives are nameless heroes who sacrificed their youth and their very existence so that the Republic of China might prosper.

Esteemed friends and fellow citizens: The October 10th uprising is a memory and heritage shared by both sides of the Taiwan Strait. I wish to take this opportunity, therefore, to remind the mainland authorities: In commemorating Double Tenth Day, it must not be forgotten that the aspiration of our founding father Dr. Sun Yat-sen was to establish a free and democratic nation with equitable distribution of wealth. The mainland ought to courageously move in that direction.

In commemorating the Xinhai Revolution, one also must not deliberately cut out certain parts of history, but must bring to light the actual facts of history and face the existence of the Republic of China head-on. The Republic of China's existence is referred to not in the past

tense, but in the present. For the Republic has continued to flourish in Taiwan for more than six decades, radiating its vitality to every corner of the earth. As time goes by, we will continue to flourish and radiate vitality.

2. The Republic of China remakes itself in Taiwan

Esteemed friends and fellow citizens: It was the sacrifice of 20 million soldiers and civilians of the Republic during the War of Resistance against Japan that enabled Taiwan to end Japan's colonial rule. And had it not been for the retrocession of Taiwan from Japan to the Republic, the setbacks encountered by ROC armed forces in the civil war against the Communists in mainland China might have spelled the death of the Republic more than six decades ago, with no chance for a transformative rebirth or possibility of development of the two sides of the strait along different trajectories.

For more than 60 years now, the Republic of China has ensured the security of Taiwan, Penghu, Kinmen, and Matsu; safeguarded the viability of Chinese culture; created an economic and a political miracle; and realized the aspirations of early Taiwanese advocates of parliamentary governance. And beyond that, it has proven to the world that democracy can take root, blossom, and bear fruit in a Chinese society.

Today, the people of Taiwan enjoy freedom, democracy, and affluence. They have come to identify solidly with their nation, the Republic of China, and the ROC Constitution has long served as the bedrock of a society-wide consensus. The ideals that Dr. Sun Yat-sen sought in establishing the Republic were not achieved in the mainland during his lifetime, but they have come to full fruition here in Taiwan.

Today, as we celebrate the ROC Centennial Double Tenth National Day, we take great pride in the Republic, and in Taiwan's democracy. The vitality and the way of life which today's Taiwan displays have become benchmarks for Chinese communities worldwide.

Despite its relatively small land area and limited natural resources, Taiwan has pulled itself up by its own bootstraps to become a major economic presence. Its companies are world leaders in the manufacture of high-tech products such as semiconductors, tablet PCs, smartphones, and photovoltaic equipment. Moreover, they have made outstanding contributions to energy conservation and reduction of carbon emissions.

In the 2011 World Competitiveness Yearbook released by Switzerland's International Institute for Management Development in May, Taiwan ranked No. 6 overall, its best score ever. In the World Economic Forum's Global Competitiveness Report 2011-2012 issued in September, Taiwan placed No. 13, our country's best performance in five years, and occupied first place in eight of the survey's sub-indices.

Our young people are bursting with talent. They have turned in brilliant performances in the fields of design and invention as well as cultural and creative undertakings. In the six biggest international invention shows, they often walk away with the lion's share of the prizes. Some 80 percent of the world's Chinese-language pop music is created in Taiwan, and we have taken a place on the world stage in the fields of cinema, theater, dance, and design. Taiwan

moviemakers in particular have made their presence felt. An amazingly talented younger generation is opening up limitless vistas for Taiwan's movie industry.

The people of Taiwan are compassionate. There are over 40,000 nonprofit organizations with more than a million volunteers who work in anonymity for the greater good throughout Taiwan. More than that, they also travel overseas to provide humanitarian assistance wherever it is needed. Last year, 8 percent of our citizens were blood donors, a ratio ranking among the world's highest. The people of Taiwan provided financial sponsorship for 300,000 poor children, 200,000 of whom lived overseas. And their annual charitable donations exceed NT\$35 billion (US\$1.1 billion), most of which comes from people of modest economic means.

In this land, we can see numerous examples of admirable people who have lived out their dreams. The generosity of ordinary people like Chen Chou, Chen Shu-chu, and the army veterans Yin Tien-chia and Hung Chung-hai, is simply stunning. The beloved Dr. Lien Jih-ching is known far and wide for his work in combating malaria in West Africa. Ultra-marathoner Kevin Lin is a tremendous credit to Taiwan. We certainly take pride in the world champion baker Wu Pao-chun, not to mention U.S. baseball major league pitcher Wang Chien-ming, who has returned to the mound after overcoming a debilitating injury. An elderly woman named Yang-Huang Mu-tan, despite her poverty, could not be tempted to keep a huge bundle of money she had found, and food safety official Yang Ming-yu went above and beyond the call of duty to expose a case of tainted foods. In the meantime, film director Wei Te-sheng recently released the brilliant epic "Warriors of the Rainbow: Seediq Bale." And last but not least, I cannot go without mentioning world record-breaking LPGA champion Yani Tseng.

In these individuals, we witness the exemplary spirit of kindness, hard work, tenacity, firmness of purpose, and faith—the driving force of Taiwan's advancement.

Free and democratic. Robust and innovative. Caring and compassionate. Globally engaged and self-confident. Such is our country's image. Let us applaud this Republic of ours to show our deepest appreciation for the countless heroes who have expended so much energy and sweat for its well-being.

3. New prospects to unfold with a golden decade

Esteemed friends and fellow citizens: Despite turbulence in the global economy over the past three years, Taiwan has weathered the storm with class, and has emerged considerably more competitive than it had been before. All of our people deserve the credit for this outcome. In the face of the pressure of global competition, the next decade will be a critical period for us. We must strive to fully realize our vision for a golden decade. We must remain confidently engaged with the world, pursuing development through innovation, and moving forward in the spirit of social justice. We need to thoroughly transform the Republic of China, so that it can join the ranks of advanced nations.

Esteemed friends and fellow citizens: Cross-strait peace is an essential condition for Taiwan's prosperity and development. Over the past three-plus years, our government has pressed for

improvement of cross-strait relations under the framework of the ROC Constitution and based on the “1992 Consensus,” whereunder each side adheres to the “one China” principle but is entitled to its own interpretation of what “one China” means. Within this framework, we are maintaining the status quo of “no unification, no independence, and no use of force.” This has greatly relaxed tensions across the Taiwan Strait and garnered the international community’s affirmation and support.

In the past three-plus years, we have signed 15 agreements with mainland China. Each conforms to the principles of parity, dignity, and reciprocity while putting Taiwan first for the benefit of its people. The people on both sides of the Taiwan Strait are ethnically Chinese. Our hope is that the two sides will be able—based on a clear-eyed appreciation and acceptance of reality—to seek common ground while respecting differences, assist and cooperate with each other, and build a peaceful relationship within an institutionalized framework.

Mainland China is now Taiwan’s largest trading partner, the largest contributor to our yearly trade surplus, and the largest destination for our investments. In addition, it is a major engine of global economic growth. In order to open up new business opportunities, we must make wise use of Taiwan’s advantages to expand our presence in the mainland market, and we must accelerate efforts to conclude free trade agreements or economic cooperation pacts with other countries. On the 22nd of last month, for example, we signed an investment agreement with Japan. We are also actively negotiating with Singapore on a bilateral economic cooperation agreement. Moreover, this administration seeks to take part in regional economic integration and is working hard to create the conditions necessary to enable Taiwan to join the growing Trans-Pacific Strategic Economic Partnership Agreement within 10 years.

Moving forward, we will continue to pursue the policy of viable diplomacy. We will seek to further consolidate ties with our diplomatic partners while building high-level trust between this country and nations with which we lack formal diplomatic relations, such as the United States, Japan, New Zealand, Australia, and the member states of the European Union and the Association of Southeast Asian Nations. We also seek to extend our presence in the international community. Ten days ago, for instance, the United Kingdom became the seventh country to sign a youth working holiday agreement with us. Five days ago, the Netherlands also granted ROC citizens visa-free privileges to enter six of its overseas territories. And beginning from the day after tomorrow, Burkina Faso will grant landing visas to ROC passport holders. This brings to 124 the total number of jurisdictions that accord us such treatment, which is 70 more jurisdictions than when I took office. This shows that when a nation is viewed positively by the international community, its people enjoy respect.

Esteemed friends and fellow citizens: In conducting cross-strait relations, we cannot maintain peace through wishful thinking. Only a strong defense can safeguard Taiwan’s security and afford our people the confidence to pursue further improvement in cross-strait relations. During the past three-plus years, we have made great strides forward in enhancing our soldiers’ skills and manufacturing our own weaponry. We have also made a series of purchases of advanced defensive weaponry. Over the next decade, we will continue to beef up our defense capabilities and develop a crack fighting force that meets Taiwan’s defensive

needs. We must do this to safeguard the sovereignty of the Republic of China and maintain security in the Taiwan Strait.

4. Conclusion

Esteemed friends and fellow citizens: When Dr. Sun Yat-sen founded the Revive China Society, only some 20-odd people joined initially, but they stuck to their ideals, dared to put them into practice, and accurately assessed the circumstances facing them. As a result, they succeeded 17 years later in overthrowing the Qing regime and establishing the Republic.

In commemorating the anniversary of the outbreak of the 1911 revolution, we must remain true to the idealistic spirit of the nation's founding fathers. We cannot allow ourselves to be daunted by adversity. On the contrary, we must have the courage to strike out in bold and pioneering new directions, so that our nation can become "the gold standard" among ethnic Chinese societies. "The Republic of China" is more than the name of a nation; it also stands for a free and democratic way of life, and serves as a model for those living in other ethnic Chinese societies who yearn for freedom and democracy.

The month of October bears special significance for the ROC, but for me it also has a very special personal significance. Sixty years ago in October of 1951, at a time of great turmoil, my parents brought their family, including one-year-old me, from Hong Kong to Taiwan, seeking a life of freedom and tranquility. Never could they have imagined that more than 50 years later their son would have the opportunity to become the ROC president!

I am deeply grateful to this nation, and to this land. I want to do all I can to build Taiwan into a bastion of freedom and prosperity that will continue to nurture future generations and enable every child to realize his or her dreams, regardless how rich or poor their family may be.

During my more than three years as president, I have been keenly aware of my heavy responsibility and have not dared to relax my efforts in the least. Although the global environment is constantly changing and challenges are apt to arise at any moment, I have faith in this land and confidence in its people.

Esteemed friends and fellow citizens: The Republic of China is our nation, and Taiwan is our home. The Republic's road ahead and Taiwan's future lie in the hands of our 23 million people. We must unite and work together to make Taiwan more dynamic, more attractive, and more competitive.

Today, regardless of ethnicity and political leanings, and without distinguishing between locals and expatriates, we come together to celebrate the birthday of the Republic of China. We boldly resolve to strengthen Taiwan, reinvigorate the Republic, and lay the foundation for an outstanding second century. Let us transform the Republic of China into a nation that is even more respected by and inspiring to people around the world than it already is.

Let us now proclaim together:

Long live the Republic of China! Long live Taiwan's democracy!

Thank you, everyone!

Protecting the ROC, treasuring cross-strait peace

Date: Aug. 30, 2011

Ma Ying-jeou

President, Republic of China

President Ma Ying-jeou personally convened a press conference on the afternoon of August 28 to discuss the so-called “1992 Consensus.” Premier Wu Den-yih, Deputy Secretary-General to the President Kao Lang, Straits Exchange Foundation (SEF) Vice Chairman and Secretary-General Kao Koong-lian, and Mainland Affairs Council (MAC) Deputy Minister Te-Shun Liu were among those present for the press conference.

President Ma spoke in Mandarin, Taiwanese, and Hakka in stressing that “the ROC is our nation, Taiwan is our home, and the ‘blue, white, and crimson’ is our national flag.” The president said that he is confident that clarifying this standpoint will help to forge unity and harmony in Taiwan, and will facilitate the peaceful development of cross-strait relations.

Below are the remarks made by President Ma in their entirety.

There has been much talk recently about the “1992 Consensus” and the “Taiwan Consensus.” I was involved in work associated with the talks that led to the “1992 Consensus” when I was Mainland Affairs Council (MAC) vice chairman. I invited Vice Chairman Kao of the Straits Exchange Foundation (SEF) to attend today’s press conference, as Vice Chairman Kao also was a vice chairman of the MAC at that time.

I would like to turn to the history of the “1992 Consensus.” The SEF and mainland China’s Association for Relations Across the Taiwan Straits (ARATS) were established in 1992, initially to address the issue of verification of documents. At that time, the mainland wanted us to sign an agreement that both sides agreed to a “one China” principle, but our side had a different opinion on this issue. There was no concrete resolution of this issue, so the two sides decided to engage in formal negotiations in Hong Kong in October of that year. On August 1, the National Unification Council, which was headed by then President Lee Teng-hui, held a meeting, during which a consensus was reached as to the meaning of “one China.” They felt that we needed to set forth our position and create a bottom line on the issue of “one China,” as this issue would arise in the upcoming talks with mainland China, and they came to the decision that “one China” referred to the Republic of China that has been in existence since 1912, and that its sovereignty included all of China, but that its authority to govern was limited to Taiwan, Penghu, Kinmen, and Matsu. This was the resolution that was passed at a meeting of the National Unification Council on August 1, 1992 held at the Presidential Office Building and presided over by then President Lee, who also served as the Council’s chairperson. I was present at that meeting, which was also attended by Huang Kun-huei, who was then the MAC chairman, in his capacity as a member of the Council.

After this resolution was adopted, the definition of “ROC” set forth therein served as the basis for our discussions in Hong Kong with mainland China when the issue of “one China” was broached. Ultimately, no agreement was reached and the two sides left Hong Kong at the time without a consensus. However, on November 3 the SEF issued a press release and

simultaneously sent a letter to the ARATS via fax that explained its stance on “one China, saying that having obtained the approval of our competent authority, we accept that each side can have its own verbal interpretation (regarding the ‘one-China’ issue). Thirteen days later, on November 16, the ARATS replied in a letter as follows: The formal notification issued by the SEF on November 3 shows that the Taiwan side has agreed that each side can have its own interpretation via verbal declaration. The ARATS fully respects and accepts the suggestion by the SEF, and on November 3 phoned Mr. Chen Rong-jye to inform him of this stance. Mr. Chen was then secretary-general of the SEF. This is how the two sides came to agree to accept the “one China, respective interpretations” principle 19 years ago.

Therefore, the meaning of the “1992 Consensus” is quite clear—“one China, respective interpretations.” This is a consensus that was reached between the two sides. For us, the so-called “one China” is of course the Republic of China, since at that time prior to the initiation of discussions with mainland China, the National Unification Council specially convened a meeting and confirmed that the so-called “one China” is the “Republic of China that was established in 1912 and exists to this day.” This fact is extremely clear.

Some might comment that although our side was clear as to the meaning, we cannot be sure that mainland China accepted this arrangement. By examining the letters that were sent between the two sides, we can be clear that authorities on the other side fully respected and accepted our stance. Let’s also take a look back at the situation three years ago. I was elected president on March 22, 2008, and on March 26 then US President George W. Bush and General Secretary of the Communist Party of China Hu Jintao spoke over the phone. During the conversation, Mr. Hu remarked that mainland China and Taiwan should resume negotiations based on the foundation of the “1992 Consensus.” Under the “1992 Consensus,” Mr. Hu explained to then President Bush, both sides acknowledged that there is only one China, but that the definition of it on each side is different. Mr. Hu then described the situation in Chinese and the Xinhua News Agency also released an English press release to this effect. I even remember that this news was the top story in Taiwan’s United Daily News.

Not long after I was inaugurated on May 20 of that year, the SEF elected a new chairman and the organization sent a letter to its mainland counterpart stating that it was willing to resume negotiations based on the foundation of the “1992 Consensus.” The ARATS also replied that it was willing to do the same. Consequently, the two sides not only accepted the consensus, but were consistent on the content of it. Mr. Hu at the time clearly expressed the state of affairs. As a result, the “1992 Consensus” that we take today as the basis for negotiations between the two sides, does not harm the sovereignty of the ROC, and in fact enables the sovereignty of the ROC to play an important role in the process of reaching agreements between the two sides. The consensus echoes the status between the two sides set forth in the ROC Constitution and it clearly corroborates our standpoint that “one China” refers to the Republic of China.

It is the “1992 Consensus” that has enabled the two sides of the Taiwan Strait to put aside their differences over the issue of sovereignty for the time being. Upon this basis the two sides have been willing, despite the lack of consensus on the issue of sovereignty, to shelve disputes

and move ahead with bilateral talks. This is the most important reason why the two sides over the past three years have been able to complete 15 agreements; this is the basis upon which negotiations are made possible. Nineteen years ago it was precisely because of the “1992 Consensus” that the Koo-Wang talks (between the respective heads of the SEF and ARATS) could be held in Singapore, and again in mainland China the following year, and why four agreements resulted from those talks. Therefore, everyone should understand the enormously important role that the “1992 Consensus” has played in negotiations and cooperation between the two sides.

We have recently seen Democratic Progressive Party (DPP) Chairwoman Tsai Ing-wen repeatedly refer to the “Taiwan Consensus.” In fact, to understand what a consensus on Taiwan means, we must first understand the opinions of the people of Taiwan. The people of Taiwan at the present stage favor the policy of “no unification, no independence, and no use of force.” That is why, before I took office as president, I advocated a policy under the framework of the ROC Constitution of maintaining the status quo in the Taiwan Strait via this “three noes” policy. In other words, maintaining the status quo reflects the desire of the vast majority of the people in Taiwan. Since its establishment over 20 years ago, the MAC each year has carried out several surveys that clearly show only a minority of people advocate either unification or independence, while an overwhelming majority, nearly 80%, support broadly maintaining the status quo. This is the true representation of the will of the Taiwan people, and is the main basis for advocating “no unification, no independence, and no use of force.” I call on Chairwoman Tsai to tell the people of Taiwan whether she advocates the “three noes” policy and whether she can communicate her opinion to the majority of the Taiwan public, which supports the “no unification, no independence, and no use of force” policy, and in particular whether she supports the “no independence” portion. Chairwoman Tsai cannot be vague or avoid this question. Rather, she must face the issue. I have been extremely clear in proclaiming that the ROC is our nation, Taiwan is our home, and the blue, white, and crimson flag is the national flag of the ROC. This is a clear fact, and it is something that I should clearly spell out.

Chairwoman Tsai once said that the ROC is a government in exile. I am unaware whether the chairwoman still believes this statement. I am aware that some people in the DPP believe that the ROC national flag cannot represent our nation. There are some political figures from the DPP who when sworn into office have not been willing to face the flag or sing the national anthem. In addition, a very small number of DPP members working as civil servants have even burned the flag. We are quite aware that some members of the DPP maintain the aforementioned attitude towards the nation, the national flag, and the Constitution. Consequently, as Taiwan faces the challenges of the future, I hope that everyone is able to truly understand that the consensus on Taiwan is precisely “no unification, no independence, and no use of force” under the framework of the ROC Constitution. Over the past three years, the government has proven that adoption of this stance can help to create greater room for Taiwan in the international community. This has not only enabled us to engage in discussions with mainland China, but also to have contacts with countries around the world. It is also because of this that we have seen incipient signs of peace emerge in the Taiwan Strait, which has helped the two sides to jointly forge peace and prosperity in the Taiwan Strait. I believe

that this is the true meaning of the consensus on Taiwan. This is a consensus that enables Taiwan to enjoy peace and prosperity.

If there are some hidden concepts in the “Taiwan Consensus” proposed by Chairwomen Tsai or things that cannot be said, such as “calling for a new constitution using a different title for the nation,” I believe that this is not the consensus on Taiwan accepted by the majority of the people, since it would not bring peace and prosperity to Taiwan. Consequently, I hope that Chairwoman Tsai will explain her position and bravely introduce what her “Taiwan Consensus” is. She needs to clearly state whether she supports the “no unification, no independence, and no use of force” policy, and she needs to state whether she believes Taiwan should move in the direction of peace and prosperity.

I believe that the president our people want is a president of the ROC. I love the ROC and my support for the ROC is natural. I have nothing to fear by this and I have no hesitations. I want to shout out that we love the ROC and that we love Taiwan, because the ROC is our nation, Taiwan is our home, and the blue, white, and crimson flag is our national flag. I hope that clarifying this will be a positive factor in forging unity, harmony, and the peaceful development of cross-strait relations. Thank you!

Transgenerational justice: sovereignty, human rights, and environmental rights

Date: May 19, 2011

Ma Ying-jeou

President, Republic of China

President Ma Ying-jeou held a press conference at the National University of Tainan, in southern Taiwan, on the morning of May 19 to mark the third anniversary of his inauguration, and also delivered an address focusing on the issues of sovereignty, human rights, and environmental rights. Youth and student representatives from the Tainan area were invited to attend the event. The following is the full text of the president's speech:

1. Preface

I am delighted today to be in Tainan. Tainan is a cultural capital dating back centuries, offers lovely scenery, and is a center of learning and refinement. The city is home to Fort Provintia, Fort Zeelandia, the Eternal Fortress, and Koxinga Shrine. Phoenix flowers in bloom in summer throughout Tainan, and the eating here is fantastic. These are important cultural assets of Tainan, and local residents take great pride in them. Tainan is where Chinese settlers first arrived, and became the political, economic, and cultural center of Taiwan during the Ming and Qing Dynasties. The Confucius Temple in Tainan ran what was known as “The Principal School of Taiwan,” and has over the centuries played an important role in passing down Confucian culture. The heavens have protected Tainan and made it a place where culture thrives and outstanding talent is cultivated. The annual press conference to mark the anniversary of my inauguration was held at the Presidential Office Building the last two years, but we decided to hold it this year at the National University of Tainan, and I couldn't be more delighted to be here!

Over the past three years, Taiwan has experienced the effects of the global financial tsunami, the August 2009 flooding and landslides in eastern and southern Taiwan caused by Typhoon Morakot, and the outbreak of the H1N1 strain of influenza. But we have not been defeated by these hardships. We have boldly faced these challenges and have overcome them. Taiwan is now experiencing its strongest economic growth in over 20 years. Look at employment, for example. The number of jobs is on the rise and we are increasingly facing shortage of labor rather than a shortage of jobs. Meanwhile, salaries are also gradually rising. The overall economy has already begun to return to the vitality it exhibited in the past.

On May 18, Switzerland's International Institute for Management Development (IMD) released its World Competitiveness Yearbook 2011. Taiwan was ranked sixth in the world in competitiveness and third in Asia. The nation, which already vaulted 15 places to No.8 last year, has further risen to the sixth slot this year. This is the best performance for Taiwan in the 17 years that it has been included in the survey, thanks to the efforts of the entire population. The world is recognizing the excellence of Taiwan.

Even so, I still continually ask myself where we need to further improve and where our efforts have still been insufficient. I constantly encourage the people in my administration to reflect

on these things and to humbly face any criticism. This is the only way we can rectify mistakes and continue to move forward.

Over the past 1,000-plus days, I have always kept in mind the mandate placed upon me by over seven million voters in Taiwan. I have not forgotten my responsibility to our 23 million residents. The people desire peace between the two sides of the Taiwan Strait, a vibrant economy, and a clean government. We have made every effort to gradually realize each one of these objectives. We deeply understand that the government's duty is to look out not only for the interests of the present generation, but also for those of generations to come. The government should not adopt measures that will negatively impact opportunities for the next generation, but rather should work to create a foundation for happiness and wellbeing for those who will come after us. This is what we mean in passing the torch, and this is what we refer to as "intergenerational justice."

On the eve of the third anniversary of my inauguration, I would like to take advantage of this opportunity to discuss, from the perspective of "intergenerational justice," three things we must safeguard to foster sustainable development for the nation—sovereignty, human rights, and environmental rights. Safeguarding each one of these rights is in the interest of Taiwan, but is not easy to achieve. Genuine concern for future generations is required if we are to see results.

2. Intergenerational responsibilities

(1) Sovereignty and peace

I want to first discuss sovereignty. Sovereignty concerns national security and dignity for the people. It transcends political affiliations and is something that everyone should work together to defend and protect. The Republic of China is a sovereign and independent nation, and Taiwan is our home. Over the past several decades, the two sides of the Taiwan Strait have been mired in conflict and confrontation. Mainland China has threatened Taiwan's security and intentionally sought to reduce space for Taiwan to crowd Taiwan off the world stage.

Over the past three years, we have, under the framework of the ROC Constitution, turned to the 1992 Consensus as the foundation of an active effort to improve cross-strait relations. This has been carried out under the principles of "parity, dignity, and reciprocity." These efforts have helped to gradually transform the Taiwan Strait from a military flashpoint into an avenue of peace.

The objective of improving relations with mainland China is to pursue a peaceful and prosperous environment for Taiwan. The coming generation will not enjoy development without peace and prosperity. Mainland China of course is a threat to Taiwan. The mainland's economic rise, however, has also brought opportunities for Taiwan. Mainland China is the world's second largest economy. It is not only the world's factory floor, but is gradually turning into the world's market. Past experience has told us that closing the country off to mainland China is impossible to achieve, and in fact harms the interests of Taiwan.

Taiwan and mainland China have signed 15 agreements over the past three years. I ask you

which agreement has not achieved the objective of “putting Taiwan first for the benefit of the people?” Some people criticize me as cozying up to mainland China and selling out Taiwan. I ask you, please look at each of the 15 agreements. In which one have we cozied up to mainland China? In which one have we sold out Taiwan?

Let’s take the Cross-Strait Judicial Mutual Assistance Agreement , for example. Over the past 10 years, the number of scam operations in Taiwan has increased by a factor of five, with the greatest number of scams occurring in 2006. The hoodlums stole over NT\$18 billion of the public’s money, and the majority of the phone calls by scammers came from mainland China, which made it impossible for us to catch the lawbreakers. Two years ago, however, investigative and police agencies from the two sides of the Taiwan Strait began cooperation after the inking of the Cross-Strait Judicial Mutual Assistance Agreement, and subsequently over 1,000 people were arrested on suspicion of fraud. The number of scams in Taiwan has fallen by 30% over the past three years and the financial losses have dropped by 60% to around NT\$6 billion.

The improvement in cross-strait relations generates a peace dividend and affords Taiwan greater opportunity for participation in the international community. Over the past three years we have held a number of large-scale international events, such as the International Flora Expo in Taipei, the World Games in Kaohsiung, and the Deaflympics in Taipei. Meanwhile, we have been successful in our effort to participate in the World Health Assembly and join the Agreement on Government Procurement . With regard to external relations, the year before last we established a representative office in Sapporo, and last year direct flights between Tokyo’s Haneda Airport and Taipei’s Songshan Airport resumed. Just two days ago we established a new office in Frankfurt. Even more, a total of 114 jurisdictions now grant visa-free courtesies to the people of Taiwan (most recently Israel has also agreed to this). This number is an increase of 61 jurisdictions from three years ago. Our citizens can proudly carry our passport and conveniently travel to all parts of the world. Our pursuit of improved cross-strait relations and our efforts for closer ties to the international community are being carried out simultaneously. When we speak of “consolidating diplomatic ties, achieving progress with dignity,” this is exactly the sort of thing we are referring to.

I want to assure all the young people here today that in pursuing cross-strait peace we are resolutely determined to defend the sovereignty of the ROC, protect the security of Taiwan, and maintain dignity for the people of Taiwan. At no point has there been any change in this attitude, and at no point have we made concessions in this regard.

Last year we saw the so-called Jiang Ping (江平) Incident at the Tokyo International Film Festival, where the head of the mainland Chinese delegation demanded that Taiwan’s name in the event be changed. We immediately lodged a strong protest with mainland authorities. More recently, the World Health Organization (WHO) was found using a very inappropriate name in internal documents to refer to Taiwan. In addition to holding a press conference and lodging strong protests with the WHO and the mainland authorities, I also asked that Health Minister Chiu Wen-ta (邱文達) likewise lodge solemn protests while attending the World Health Assembly, which he has done at meetings in Geneva over the past three days. Our

stance is clear and our attitude is resolute in issues that touch upon national sovereignty and Taiwan's dignity—"The people of Taiwan do not back down!"

Last week, I held a video conference with a well-known think tank based in Washington, DC. During the meeting I mentioned that we must build three lines of defense in Taiwan's security, from institutionalization of cross-strait relations to the use of diplomacy and economic ties to raise Taiwan's international image. I called on the United States to sell necessary defensive weaponry to Taiwan, including F-16 C/Ds and diesel-powered submarines. I told our American friends that Taiwan's defense capabilities must be enhanced to maintain a balance of power in the Taiwan Strait, and to make Taiwan more willing and confident about pursuing further dealings with mainland China. The arms sales are actually conducive to better ties with mainland China.

hope everyone can pull together to ensure that our children and grandchildren can grow up in a cross-strait climate that features peace and prosperity. This is a responsibility that we cannot shy away from.

(2) Human rights and justice

Let's next turn to human rights and justice. After I took office in 2008, I aggressively promoted the ratification of two United Nations human rights covenants that the ROC signed back in 1967, and got them incorporated into domestic law. I also called for a review of Taiwan's related laws and regulations over a two-year period to ensure that all existing legislation conforms to the two human rights covenants. This will help ensure that Taiwan's human rights standards are up to international standards. Government agencies are working as fast as they can on the legislative review and it is hoped that the amendment of related laws and regulations will be completed by the end of this year.

At the same time, I have asked Vice President Vincent C. Siew to establish the Presidential Office Human Rights Consultative Committee, inviting experts and scholars to discuss related topics, formulate human rights policies, and regularly release reports on the state of human rights in Taiwan.

Since taking office I have emphasized respect for judicial independence. I have not intervened in any court cases, for doing so as president would be an abuse of power, and would cause irreparable harm to the nation. I also strictly forbid illegal wiretapping and have had legal amendments carried out to forbid the government from placing politically slanted information in the news media and passing it off as straight reporting. These efforts, however, are still not enough. I believe our thinking, our education, and our systems need to continually improve. This is the only way to prevent the government from infringing upon the rights of people.

Last October in my National Day Address I mentioned the concept of social justice, by which I was referring to the elimination of injustice, assistance for the underprivileged, and reduction of the wealth gap. This will provide the people of every generation—regardless of gender, education, profession, or family background—equal opportunity to develop their abilities, and will enable all to share in the fruits of economic growth.

Let's look at Tainan where we are today as an example. We believe there should be a partnership between the central and local governments. Regardless whether you live in northern, southern, eastern, or western Taiwan, we should be moving forward together and experience balanced development. Government strategies should not only focus on merging and upgrading Tainan city and county or Kaohsiung city and county, but more importantly enable the two special municipalities to become locomotives for development in southern Taiwan, helping to drive the development of the area's economy and culture. This was the thinking behind the establishment of five special municipalities in Taiwan. Earlier administrations had sought to do this for decades, but its actual achievement fell to us.

From a budgetary perspective, funding for infrastructural development in southern Taiwan has reached NT\$744.7 billion. The government plans to invest NT\$263.2 billion to build up Kaohsiung as a major international air and sea port as well as a key hub for manufacturing, logistics, and other types of industry. It is anticipated that this initiative will generate 170,000 jobs.

In addition, the government is actively promoting a variety of transportation and tourism infrastructure projects, including the building of a high speed rail station in Yunlin County, the development of the National Palace Museum Southern Branch in Chiayi County, creating an elevated railway in Chiayi City to alleviate surface traffic congestion, improving the Budai Port, Chiayi County, and promoting the development of the Dapeng Bay scenic area in Pingtung County. It is also spending over NT\$50 billion to clean up the Tsengwen, Nanhua, and Wushantou reservoirs and stabilize water supplies in southern Taiwan.

A host of good news has been seen on the tourism front for Tainan recently. I am told that the number of tourists to Tainan has been increasing and that upgrades and renovations are being carried out at existing hotels, while new hotels are being built. Local development transcends political affiliation. No matter what party is in power, the central government will make every effort to cooperate with the Tainan City government in maximizing the advantages for this city, which is so steeped in culture. We will all work together to develop Tainan's cultural and tourism industries.

The two sides of the Taiwan Strait are discussing an increase in the frequency of flights between Taiwan and mainland China. Currently there are 370 flights each week, and it is hoped that this number can be increased to 500. I would also like to take this opportunity to announce that starting this summer Tainan Airport will be designated to handle direct cross-strait flights, becoming Taiwan's ninth such airport. Initially, the airport will handle charter flights, but once there is a steady source of passengers we will seek to make these flights regularly scheduled ones. We still need to communicate with our cross-strait counterparts to discuss which mainland cities will have direct flights with Tainan. We hope that tourism operators in the Tainan area and the government will cooperate, and that comprehensive preparations will be carried out to enable even more mainland Chinese tourists to fly directly to Tainan from the mainland and enjoy Tainan's food and lovely scenery, while of course experiencing the goodness of the people of Tainan.

Of course, we also hope to hasten the pace of infrastructure construction in Tainan. The

Shalun Branch Rail Line in Tainan was completed and opened to rail traffic in the beginning of January. Meanwhile, Tainan's railway tracks are now being moved underground, and work is progressing on connecting the National Freeway No. 1 to Provincial Highway No. 1, connecting Taiwan Highway No. 17 to Yongan Street in Tainan City, and aiding in the development of the Tainan Science Park area. Construction on these projects needs to be sped up, and we are cooperating with the Tainan City government on this.

The greater Tainan area is an important agricultural region in Taiwan. Four years ago I advocated raising the monthly subsidy to elderly farmers from NT\$5,000 to NT\$6,000. Recently, I also asked the Council of Agriculture to hike the public grain purchase price by NT\$3. Last year Taiwan and mainland China signed the cross-strait Economic Cooperation Framework Agreement. We paid special attention to exports of agricultural products in that agreement. Under the accord, another 18 agricultural products from Taiwan can be sold to mainland China. Together with the more than 30 products currently sold there, this means over 50 items can now be sold on the other side of the Taiwan Strait. In addition, of these 18 items, many are grown in Tainan, including oranges, Hami melons, dragon fruit, milkfish, grouper, and Oncidium orchids. From January to March, Taiwan sold over US\$33 million worth of agricultural products to mainland China, which is a 16 fold rise from the US\$2 million registered in the same period last year. The goal of all of this is to safeguard the interests of farmers. In conclusion, we hope that a robust economy in southern Taiwan will propel vibrant development of the entire region.

The government also intends to aid the underprivileged and combat injustice. Let me cite a few examples. Over the past few years, we have implemented a national pension system, introduced a labor insurance annuity system, and begun issuing allowances to women who have given birth and are on leave without pay from their jobs. This is commonly referred to as parental leave. At the same time, we have adopted a uniform tuition system for public and private high schools and vocational schools. In other words, the tuition at private schools will not be higher than that charged at public schools. In addition, starting this September, students will be able to attend vocational high schools tuition-free. Of course, this doesn't apply to families of students who have incomes above a certain level. For example, students from households with an annual income of less than NT\$1.14 million will not be required to pay tuition. This initiative will be extremely helpful to vocational high schools in recruiting students. Meanwhile, amendments to the Public Assistance Act scheduled for implementation from July 1 will increase the number of people under the poverty line from 270,000 to 860,000.

We are carrying out all of this work with the hope of creating a more tight-knit social safety net for Taiwan and with a vision of creating a better future for the next generation. Of course, we also need intergenerational support.

(3) Environmental justice and economic development

Turning our attention to environmental justice and economic development, in the past we made every effort to promote economic development in order to improve our living standard. In those days, however, society did not pay as much attention to the environmental impact of

economic growth as it does today. We now realize that this economic growth came at the price of environment destruction and depletion of resources. In particular, once resources are depleted, it is hard to regenerate them, and the task of restoring a damaged environment is quite difficult. Consequently, we have come to realize that this type of growth doesn't conform to the spirit of "intergenerational justice."

Over the past three years, we have gradually abandoned the old belief that environmental degradation is the inevitable price of economic development. Now, rather than pursue inappropriate development, we opt to respect the environment. The Constitution even mandates that environmental protection shall be given equal consideration with economic development. The Basic Environment Act also provides that if there are concerns that development will have a serious impact on or be harmful to the environment, protection of the environment shall take priority. For instance, in the development of eastern Taiwan, we decided to have improvements carried out on the Suhua Highway instead of building a Suhua Freeway. This will reduce the harm to the environment. Then there is the example of the Kuokuang Petrochemical project in Changhua County, where we emphasized environmental justice. In so doing, we have moved away from the development policies of the previous administration. We hope to pass along clean air, clear streams, and life-sustaining wetlands, coastlines, and mountain forests to future generations. We want to leave behind a Taiwan that is full of vitality.

I realize that this work is not easy. In addition, criticism has been leveled from all sides. Some people are skeptical about whether from here on out we don't want economic development and will only focus on environmental protection. I can tell everyone without a doubt that is not the case. We are confident that Taiwan can adopt new models in the pursuit of economic growth that compromise neither the economy nor the environment. In the future, environmental protection will not be looked upon as a burden or a restriction. Rather, it will serve as an opportunity to promote economic transformation. We need to change our way of thinking.

Based on these convictions, we are formulating new industrial policies that emphasize higher sophistication in basic industries, an across-the-board upgrading of traditional industries, and a focus on the production of high value-added products. At the same time, we will stress the development of new green industries with a small carbon footprint. In the future, knowledge and innovation will constitute the motors that drive Taiwan's economic growth. In considering individual products, the international community is now pays close attention to carbon footprint, life cycle assessment, and environmental protection requirements to determine whether a product is produced in a manner consistent with environmental protection standards. In the future, a product known to harm the environment will be rejected in the marketplace. We therefore shouldn't see our choices as involving a conflict between environmental protection and economic development. Rather we should be forward-looking and develop new economic opportunities with environmental protection in mind. This will help us create a solid foundation for sustainable development. This is our responsibility to future generations, and an extremely important commitment we have made to Taiwan.

3. Embrace ideals, rise to challenges

My young friends, looking at Taiwan's developmental history, we can see that liberalization has always brought prosperity, while shutting ourselves off from others has led to decline. Not long ago, Taiwan shut itself off from the rest of the world for a period of time and missed opportunities to participate in the economic integration of the Asia-Pacific region. Since 2008, however, we have adopted a policy of deregulation and liberalization, opening up avenues for Taiwan's continued economic development on two fronts. Internally, we adopted the Industrial Innovation Act and targeted six major emerging industries for development. Externally, we signed the ECFA with mainland China and are engaging in talks with other countries on similar economic cooperation accords. The objective of these efforts is to adjust Taiwan's economic structure, spark economic growth, enhance our international competitiveness, and create maximum wellbeing for the public.

The government, for instance, has opened Taiwan's doors to tourists from mainland China. Over the past nearly three years, this has generated income of over NT\$100 billion for Taiwan. Meanwhile, the tourism industry has made investments of NT\$160 billion for the construction of new hotels, acquisition of tour buses, the opening of new restaurants, and the like. Just look at the sales of pineapple cakes. Four years ago, annual sales of these cakes stood at NT\$2 billion, while sales last year increased 12-fold to NT\$25 billion. One maker of pineapple cakes is even planning to list on the stock exchange. After the signing of the ECFA, to give another example, grouper raised on fish farms here were included on the early harvest list. After the tariff on the fish was lowered, business started to increase. Four years ago, Taiwan's exports of grouper to mainland China amounted to just NT\$27.42 million. By last year, however, exports had grown by a factor of 87 to reach NT\$2.4 billion. It's clear that we have created many opportunities for our agricultural industry. This also proves that appropriate policies can help people do business and create the conditions for them to better their lives. Our goal now is to enable even more people to enjoy the advantages of reform and liberalization.

I am confident that people who have grown up in Taiwan love this land. No group or political party holds a patent on love for Taiwan. We must rely on action and wisdom to do more things that benefit Taiwan. What we must not do is engage in political mudslinging and accuse others of selling out Taiwan.

Today I have discussed quite a few of my beliefs on "intergenerational justice." Taiwan's future is in the hands of everyone, but especially in those of Taiwan's youth. I ask each of you not to underestimate your potential impact. Everyone's persistence and efforts can change Taiwan's future.

I received a letter written by an elementary school student when the Kuokuang Petrochemical project was undergoing its environmental impact assessment. This student asked me to save the white dolphin. I even saw high school students spontaneously take part in activities to protest the petrochemical project. These students didn't have any special agenda. They were simply expressing their concern for the environment. I saw the passion in their eyes and I heard the enthusiasm in their voices. I am sure that the power of these people caused

government agencies to listen more carefully to differing viewpoints and come up with alternative development plans. Ultimately, the government decided not to support the construction of the Kuokuang facility in Changhua and is now looking for an alternative plan to promote local economic development.

Young people are idealistic and have a strong sense of right and wrong. They have the courage to change the status quo. This has been the situation generation after generation. Over 100 years ago, Lin Juemin (林覺民) was only 24 years old when he wrote “A Farewell Letter to My Wife.” Chiang Wei-shui (蔣渭水) was only 30 years old when he founded the Taiwanese Cultural Association over 80 years ago. Each new generation has unlimited potential. As long as everyone is willing, you have the opportunity to create the future that you hope for. Your future is Taiwan’s future. The responsibility of the government is to create a climate in which each one of you can fulfill your potential.

4. Conclusion

Over the past three years, we have worked hand in hand with the public. Concrete achievements have been seen in sovereignty and peace, human rights, social justice, environmental justice, and economic development. In addition, we are more confident than we were in the past. All of this is because Taiwan has pursued the correct path and is moving forward along it. Changes have already taken place and reforms must continue. We cannot look backwards!

I am so pleased to spend the eve of the third anniversary of my inauguration with the nation’s youth and to be able to report to the nation what I have learned in the course of my time as president. I hope everyone will identify with our ideals and support what we trying to do. Let’s together commit ourselves to Taiwan, create a new start for Taiwan, and help Taiwan grow stronger.

Thank you!

Building Up Taiwan, Invigorating Chinese Heritage

Date: Jan. 1, 2011

Ma Ying-jeou

President, Republic of China

Vice President Siew, Presidents of the Five Yuan, Senior Officials, Fellow Countrymen, and Overseas Compatriots:

Good morning and greetings to all!

Today marks the first day of the Republic of China's centennial year, a day worthy of celebration and thanksgiving.

Pledges from a Century Ago

A century ago, as China was besieged by foreign powers and on the verge of collapse, Dr. Sun Yat-sen overthrew the Qing court and founded the Republic of China—the first republic in all of Asia. He made a pledge to the people to build a strong and prosperous nation.

A century ago, Chinese history consisted only of the succession of dynasties, and the people had no say in the matter. The establishment of the Republic of China was a pledge to the people to bring about a democratic way of life.

A century ago, Chinese society was plagued by a severe wealth gap and widespread illiteracy. The establishment of the Republic of China was a pledge to the people to bring about equitable distribution of wealth and education for everyone.

These pledges embody the ideals of the Three Principles of the People. Passed down through generations, they have been enshrined in our Constitution and indelibly etched into our lives.

Today, with gratitude in our hearts, we pay our utmost respect to the martyrs and heroes of the Republic. Were it not for people like Lin Jue-min, who left his beloved wife for the cause, or Qiu Jin, who was martyred for her revolutionary ideals, or the countless other heroes and heroines who laid down their lives, the ROC would not be here today.

A Century of Stirring Achievements

The story of the ROC over the past century is the history of the struggle to build a nation, of course, but it is also more than that. It is a saga of the toil and tears of a revolt against imperialism. Even more, it is a stirring ode to the role our forefathers played in the restoration of order to a world of chaos.

In the early years of the Republic, the country was fractured by warlord satrapies. The National Government organized the Northern Expedition against them and united China, ushering in a decade of national development. Thereafter, the ROC crushed Japan's ambitions over China in an eight-year war of resistance, and abrogated unequal treaties that had been in place for a century. As a result, Taiwan was returned to the fold of the Republic of China.

At the end of World War II, the ROC played a pivotal role in the restoration of world order. It

was a founding member of the United Nations, and contributed to the drafting of the Universal Declaration of Human Rights, infusing into it the spirit of Confucianism.

In 1946, National Assembly delegates chosen in elections held throughout the nation gathered in Nanjing to formulate the most progressive democratic constitution in Asia. In the process of their deliberations, they succeeded in melding the essence of Chinese culture with the core features of Western democracy.

Following defeat in the Civil War and the loss of the Chinese mainland to the communists in 1949, the government relocated to Taiwan. This was a major setback for the Republic of China, but it did not dishearten or discourage us. Instead, we drew lessons from these painful experiences, rebuilt the nation, and gradually realized the ideals of Dr. Sun Yat-sen in Taiwan.

Over the past six decades, the ROC government has implemented in Taiwan a series of reforms, beginning with capping farmland rent at 37.5 percent of the harvest, and transferring land from landlords to farmers. Private enterprises were nurtured, the Ten Major Construction Projects were launched, and industries were upgraded. We abolished the abusive “foster daughter system,” set up a labor insurance scheme, established nine-year compulsory education, introduced the National Health Insurance program, and instituted the national pension system. We also implemented local self-government, lifted martial law, repealed the ban on political party formation, abolished the Temporary Provisions Effective During the Period of Communist Rebellion, and redressed the wrongs perpetrated in the February 28 Incident of 1947 and the period of “white terror.” We opened all parliamentary seats to election, held direct popular elections for the presidency, and realized the peaceful transfer of power between political parties.

These reforms are more than just historical milestones; they have made the ROC a paragon of political and economic progress for developing nations around the world and have dispelled the myth that democracy is unsuitable for a Chinese society.

Today, the ROC is universally respected in the international community. We send aid missions around the world, our high-technology products are sold globally, our passports allow visa-free entry to 96 nations and territories, our innovative ability has won international acclaim, and our young people dazzle on the world stage. We are brimming with confidence.

Our Collective Homeland

My fellow countrymen, all of us in today’s Taiwan have together experienced the growth and transformation of this land. We possess collective memories and experiences. We all experienced the thrill as our baseball teams achieved international glory, we all felt the indignation as we lost our seat in the United Nations, and we have all shed tears of pride upon seeing our national flag hoisted at international events.

Yes, that blue, white and red flag symbolizing Heaven, Sun and Earth unites us, inspires us, and moves us. It gave the Eight Hundred Heroes the strength to fight valiantly in defending the Sihang Warehouse in Shanghai back in 1937. That flag is a collective memory we have all had since we were young, and is a rallying point for our patriotism.

As President, I bear the solemn responsibility of continuing the past while leading the way toward the future, adhering to the principle of “putting Taiwan first for the benefit of the people.” And I have always kept in mind what President Chiang Ching-kuo said when, as Premier, he was preparing to implement the Ten Major Construction Projects: “If we don’t act today, we’ll regret it tomorrow.” That is why my administration has plucked up its courage and started implementing major reforms that several past administrations could not carry out. These include streamlining the Executive Yuan, merging and upgrading certain cities and counties, passing the Rural Regeneration Act, and implementing the national pension scheme and second-generation National Health Insurance program. We have also promoted cross-strait rapprochement, which has transformed the Taiwan Strait from a flashpoint for conflict into an avenue of peace.

Foundation for a Century of Prosperity

My fellow citizens, the coming decade is key to our nation’s continued development and progress. We must make it a “Golden Decade” that lays the foundation for a prosperous second century of the Republic of China. Let us make this Golden Decade one of peace, infrastructural development, and well-being.

I harbor four hopes for the future:

First, I want educational reforms that provide a lasting solution—Education is the cornerstone of national power, and children are our hope for the future. To create a sounder educational environment for our young people, I am announcing today that education in Taiwan will now enter upon a new era. Starting this year, we will begin a phased implementation of twelve-year compulsory education, starting with vocational high schools. The tentative plan is that, by 2014, attending high school and vocational high school will be tuition-free and in most cases require no entrance examination. We will also expand support for preschool education. Beginning this year, school tuition for five-year-olds will be waived. As fiscal resources permit, this will gradually be extended to three- and four-year-olds to further alleviate their parents’ financial burden. However, preschool education will not be made mandatory.

We fully understand that a dearth of young people will severely affect our national power, so the government will work to boost the birth rate by simultaneously addressing each aspect of the problem: marriage, birth, childrearing, and education.

Second, I want environmental stewardship that provides lasting viability—The greatest challenge of this century is global climate change while the greatest opportunity is the digital technology revolution. We already have a comprehensive plan for reconfiguring national land use and our disaster preparedness systems, developing new energy industries, as well as implementing energy saving and carbon reduction to bequeath a good environment to future generations. Taiwan’s economy must be transformed. Environmentally unfriendly industries must be eliminated. A green economy is the trend of the future and a major focal point of economic policy. We must ensure that the ROC has every opportunity for sustainable development.

To meet the challenge of the digital era, we will promote digital high-definition television and go all out to build a broadband infrastructure to speed up the Internet, enhance its quality, and cut the cost of access. We intend to ensure that the digital lifestyle is a fundamental right of all citizens.

Third, I want lasting justice—We will forge a just and fair society where there is equal opportunity for development, the judiciary is impartial and clean, the gap between rich and poor is reduced, and human rights are safeguarded.

Our society is deeply compassionate and caring. In the future, the government will join with volunteers and work hard to reduce the developmental gap between urban and rural areas and between north and south. We will also address the digital divide.

We will continue promoting participatory reform of the judicial system, making an all-out effort to improve it in terms of fairness, quality, and efficiency, so as to provide a firmer safeguard for human rights and win back public trust in the judiciary.

The senior citizen population in Taiwan continues to grow steadily. We are now living in an aged society, so we must actively promote long-term care insurance. We must have enough caregivers and provide adequate care facilities so that seniors will receive better social services and health care support. We must build a “senior-friendly” society where the needs of senior citizens are factored as a matter of course into the designs of buildings and public infrastructure, so that those in the older generation can lead healthy, worry-free, and comfortable lives.

Equitable distribution of wealth was an ideal championed by Dr. Sun Yat-sen. We will make taxation fairer, improve conditions for finding employment and starting a business, and enhance the social welfare system. Only then can the fruits of economic growth be enjoyed by the entire populace.

And fourth, I want a lasting peace—Peace in the Taiwan Strait is the foundation for peace and prosperity throughout East Asia, and is the joint responsibility of both parties in the relationship. Over the past two years and more, working within the framework of the ROC Constitution, we have preserved the status quo of “no unification, no independence, and no use of military force” and resumed talks with mainland China on the basis of the 1992 consensus, whereby each side maintains its respective definition of “one China.” To date, this has brought about direct cross-strait flights, opened the door for mainland tourists to visit Taiwan, and enabled mainland students to study here. It has also resulted in the signing of 15 cross-strait accords, including the Cross-Straits Economic Cooperation Framework Agreement. As a consequence, tension in the Taiwan Strait has been dramatically reduced, thereby contributing to regional stability and prosperity.

We believe that the people on both sides of the Taiwan Strait share a common desire to shelve disputes and strive for long-term peaceful development of cross-strait ties. The authorities on both sides should put an end to conflict via rapprochement, and replace confrontation with cooperation. At this stage, any advocacy of a unilateral change to the status quo would affect the peaceful development of cross-strait relations. As both sides of the Taiwan Strait share a

common ancestry dating back to legendary emperors Yen and Huang, we should enhance mutual understanding, build mutual trust, and gradually dispel differences of opinion via in-depth exchanges. Guided by the wisdom of our common ethnic Chinese culture, we can surely work out a very satisfactory solution.

Visions for the Future

My fellow citizens, as the Republic of China begins its second century we should set our sights on the future and make four lofty resolutions:

In the next century, the ROC will be the standard-bearer at the leading edge of Chinese culture. Taiwan has never experienced anything like mainland China's Cultural Revolution. Having preserved the rich roots of Chinese culture intact over the past six decades or so, Taiwan now dazzles the world with an aesthetic sense and artistic verve that are firmly grounded in a deep vein of traditional culture.

Taiwan also possesses the openness and innovation of a maritime culture. Traditional Chinese culture on this island early on absorbed the essence of Western contemporary civilization, which is manifested in its innovative art. Our dance, music, drama, visual arts, motion pictures, and television programming command high international acclaim and are reflective of a Chinese culture with Taiwan characteristics.

Among all the ethnically Chinese societies of the world, Confucian values are practiced more widely and more seriously in Taiwan than anywhere else. The virtues espoused by Confucianism—benevolence, righteousness, filial devotion, respect for teachers, diligence, kindness, and simplicity—have long been deeply ingrained in the fabric of our lives. Taiwan is also home to a strong civil society, a diversity of religious groups and other organizations, a free press, and an active volunteer force. We need only display our cultural creativity to the world to attract the world to us. Taiwan is poised to be the standard-bearer at the leading edge of Chinese culture.

In the next century, the ROC will serve as a paragon of democracy for the Chinese-speaking world. The ROC is a nation with its own independent sovereignty. The existence of the ROC not only ensures the security and dignity of Taiwan, Penghu, Kinmen, and Matsu, but also proves that ethnic Chinese can indeed tread a new path of freedom and democracy. Our democracy is young, but it has given birth to a vigorous multiparty system. Democracy is Taiwan's strength and pride, and is the foundation on which ruling and opposition parties compete and cooperate.

We hope one day that all descendents of Emperors Yen and Huang will enjoy freedom, democracy, and rule of law, as we do here in Taiwan. This is not a far-off dream, because these values have all been realized in Taiwan. They are not exclusive to the West. Taiwan's experience can serve as a reference for the future development of mainland China.

The two sides of the Taiwan Strait should not quarrel over political power, independence versus reunification, or Taiwan's breathing room on the international stage. We should instead focus on encouraging and helping each other grow in terms of the core values of freedom,

democracy, human rights, and rule of law. We care about how human rights develop in mainland China because it is a core value we hold dear. It is a key yardstick against which to measure the distance between us, and a tool for bringing us closer together.

In the next century, the ROC will become a global innovation center. Experience teaches us that the greatest amount of added value comes from innovation, research, and development. The farther a nation develops these areas, the stronger it will be.

Taiwan's industrial sector has begun a gradual move from being a supplier of OEM goods to being an innovator with its own brands. Year after year our firms are among the world's top patent recipients. Our young people consistently put on a good showing at international inventors' shows, and are named world champions in the face of fierce competition. We firmly believe that by bolstering R&D, encouraging innovation, cultivating the manufacture of domestically designed products, and protecting intellectual property rights, Taiwan will have established exceedingly favorable conditions for becoming a global innovation center and a cradle for the world's top brands.

In the next century, the ROC will become a nation the world will respect and an inspiration to many. Forbearing governance and benevolent rule are the essence of Chinese culture. It is in such a "nonpredatory yet progressive" spirit that we will proactively show concern for global issues and participate in international affairs.

Ours is an expansive, outward-looking culture that takes the seven seas as its home base and the globe as the cradle of its civilization. As a member of the international community, the ROC is more than willing to take on its responsibilities and make contributions commensurate with our ability. We are determined to be a peacemaker, a provider of humanitarian aid, a promoter of cultural ties, and a creator of new technologies and business opportunities. We want to make the ROC a nation that is both respected by and inspiring to people around the world.

Conclusion

My fellow compatriots: As we celebrate the ROC's hundred years of history, let us recall that the ROC of today has come about thanks to generations of people who, concerned about their nation's future, devoted their youth and ideals to the nation's construction and social reform.

As we begin a new century, I am reminded of the words of Jiang Wei-shui, a towering figure in Taiwan's history, who said more than 80 years ago: "Compatriots must unite, for in unity there is great strength." We must support and encourage each other, because the nation's prospects and Taiwan's future are in the hands of our 23 million people. We decide matters for ourselves. We must steadfastly defend the ROC's sovereignty and work to protect Taiwan's dignity. With wisdom, let us create a brighter future for Taiwan and another prosperous century.

Please stand with me as together we chant:

Long live the Republic of China!

Long live democracy in Taiwan!

President Ma Ying-jeou's National Day Address

Date: Oct. 10, 2010

Ma Ying-jeou

President, Republic of China

Reform, Innovation and the Pursuit of Justice

Legislative Yuan President Wang Jin-pyng, Sao Tome and Principe President Fradique Bandeira Melo de Menezes, Solomon Islands Prime Minister Danny Philip and Mrs. Philip, Honorable Elizabeth F.Y. Renner, Speaker of the National Assembly of the Republic of The Gambia, delegations from around the world, members of the diplomatic corps in the ROC, Vice President Vincent C. Siew, Presidents of the Five Yuan of the ROC, distinguished guests, compatriots from overseas, fellow citizens, journalists, and friends watching television:

Good morning to you all!

The bond between the ROC and Taiwan

Today we celebrate the grand occasion of the 99th National Day of the Republic of China. As we commemorate the sacrifices and contributions made by the revolutionary idealists of yore to save a nation in peril, we are keenly aware that we must dedicate ourselves to the historical mission of building on past accomplishments to create a brighter future.

The course of the ROC's development has been a winding path full of difficulties. Everyone in Taiwan is both a participant in and a contributor to that development. We have warded off Communist China's attempts at invasion and ensured the security of Taiwan and the Penghu, Kinmen and Matsu islands; we have striven energetically to progress, making it safely through several global economic crises. On this piece of land we have toiled hard, instituting local self-governance and universal education, building a strong national defense, and creating the dual miracles of a prosperous economy and a democratic political system. These are achievements unsurpassed in the Chinese-speaking world, for which reason we are deeply proud of Taiwan.

Today, we continue to grow and develop on this land. We share a collective destiny and embrace a common dream. We cherish Taiwan and identify with the Republic of China. We wish the best for Taiwan and want the ROC to flourish. Next year will mark the Republic's centennial. Let us celebrate the birth of our nation together and create for it a more resplendent second century.

Doing what it takes to push reform

My fellow citizens: Since the second rotation of power between political parties two years ago, the most important missions of this administration have been reform, innovation and the pursuit of justice. The isolationist policies and corruption of the previous administration caused a great deal of damage to Taiwan, so we must boldly pursue thoroughgoing reform without delay.

Over the past two-plus years, this administration has pushed forward with a number of

groundbreaking reforms touching upon society, the economy, education, environmental protection, national defense, cross-strait relations, and foreign affairs. Our goal has been to improve Taiwan in every respect—to create a brand new, more competitive Taiwan.

Taking governmental re-engineering as an example, we have acted to reduce the executive branch from 37 to 29 Cabinet-level ministries and commissions. This is a project that previous administrations over the past two decades wanted to do but could not accomplish. We are accomplishing it.

We have increased the number of our special municipalities to five by merging and upgrading several counties and cities, and have scheduled elections for them with the aim of achieving balanced development in northern, central and southern Taiwan, thereby enhancing the competitiveness of cities and boosting regional economies. This is another momentous reform that we have succeeded in doing.

Some say that promoting reform will offend vested interests and cost election votes. I cannot go along with that way of thinking. Taiwan is now in a race against time. We cannot put off reform for the sake of winning elections. Were we to do so, we would let down our people as well as generations to come. We have a well-informed public. I believe that only reform can secure our future, and that by securing our future we can win people's hearts.

My fellow citizens: The world is changing rapidly. Taiwan must recognize the importance of economic integration in the Asia-Pacific region and the economic rise of mainland China. We certainly cannot afford to play the ostrich by burying our heads in the sand.

Over the past two years and more, we have improved cross-strait relations and pushed for peace and prosperity while expanding our participation in international affairs. The commencement of direct cross-strait flights and visits by mainland Chinese tourists to Taiwan has coincided with resumption of our participation in the World Health Assembly, from which we had been absent for 38 years, and our accession to the Government Procurement Agreement of the World Trade Organization after earlier bids to do so had failed for six years. Further, in our relations with the United States we have re-established high-level trust, resumed important arms purchases, and re-started talks on the Trade and Investment Framework Agreement. As a special partner of Japan, we established a new representative office in Sapporo last December and are scheduled at the end of this month to inaugurate two-way flights between Songshan Airport in Taipei and Haneda Airport in Tokyo. Elsewhere, travelers with ROC passports now enjoy visa-free entry to the United Kingdom, Ireland, New Zealand, and Fiji. The European Parliament, moreover, has adopted resolutions in support of Taiwan on numerous occasions, and we have successfully advanced substantive relations with other friendly nations.

In addition, we have concluded 14 agreements with mainland China. Each one is premised on the principles of parity, dignity and reciprocity, and puts Taiwan first for the benefit of its people. Throughout this process, we have staunchly defended the sovereignty and dignity of Taiwan.

The Cross-Straits Economic Cooperation Framework Agreement (ECFA) that Taiwan and

mainland China inked this June came into force on September 12. It is the most important cross-strait agreement in the past two years, a milestone in economic cooperation between Taiwan and mainland China. We have not opened up to mainland laborers or allowed additional agricultural import items but, instead, have created more business and job opportunities for our agricultural sector as well as our traditional manufacturing and service industries. The early harvest provisions of the ECFA could generate fully 60,000 job opportunities and NT\$190 billion in business for Taiwan. This course of action puts us in position to join in the process of Asia-Pacific regional economic integration. We have averted economic marginalization and accelerated the internationalization of our economy.

My fellow citizens: Our pragmatic policies in handling cross-strait relations and foreign relations have won the international community's strong affirmation, and the efficacy of government reforms has begun to show. The Directorate-General of Budget, Accounting and Statistics of the Executive Yuan has forecast that our economy will grow by 8.24% this year, among the best performances in Asia. Of the world's top 30 trading nations, we had the highest import growth rate and the second-highest export growth rate in the first two quarters of this year, demonstrating that we have begun a robust economic recovery following a recession that lasted for over a year.

Over the past year, the number of employed people has increased by 285,000, and in August the unemployment rate dropped to 5.17%, the first time in 19 years that it decreased in that month. The average salary has increased as well, manifesting the growing vigor of our labor market.

Thanks to our policies of liberalization and deregulation, Taiwan's competitiveness has made great strides. In the 2010 World Competitiveness Yearbook released in May by the Switzerland-based International Institute for Management Development, Taiwan ranks as the eighth most competitive economy among the 58 countries surveyed, up 15 notches from the previous year. This is Taiwan's best performance in the survey in 16 years, and we are confident of doing still better in the future.

Taiwan's economic recovery is the fruit of the collective efforts of all its people. This government has considerable room for improvement, however, in its handling of various social and environmental problems as well as educational and judicial reform issues. We must humbly listen to the voice of the people, and strive constantly to do better. I will persist in pursuing reform and move boldly forward in order not to betray the public's trust.

Meeting public expectations with concrete action

Issues concerning disparities of wealth, environmental protection, educational reform and judicial reform have recently become the focus of intense public scrutiny. Here, I would like to stress that the core principle of this administration is the imperative to build a just society, and I promise that with regard to any issue pertaining to social justice, environmental justice or judicial integrity, we will take active steps to meet the expectations of our people.

Narrowing the wealth gap

The wealth gap in Taiwan has been widening for the past decade, reflecting an imbalance in wealth accumulation. Taiwan's economy is making a rapid recovery, to be sure, but if the fruits of economic development cannot be shared by all, what is the point of economic growth, however fast it may be?

The pursuit of economic growth, while important, is no more than a means to an end—the end being to build a just and prosperous society with egalitarian distribution of wealth. I therefore wish to stress that, from now on, strategies for Taiwan's economic development will not focus exclusively on growth, but absolutely must place equal importance on growth and fairness. In other words, as we boost economic growth, we must devise means to alleviate the problems of unemployment and poverty.

This government will do all in its power to adjust industrial structure, increase employment opportunities, expand social welfare benefits, and look after the needs of vulnerable groups. At the same time, we must also continue to promote tax reform. Putting it simply, the government will definitely not sit idly by and leave impoverished families with nowhere to turn to for help. Wherever there is poverty, our government must give caring attention and extend a helping hand.

Balancing economic and environmental concerns

My fellow citizens: Last year's Typhoon Morakot disaster caused the loss of more than 700 precious lives. This government has taken to heart the bitter lessons of that experience. For over a year now, we have dedicated ourselves to post-disaster reconstruction work and reorganization of disaster preparedness systems. At the same time we have pushed for central and local government agencies to carry out disaster preparedness and relief drills. We are working to raise the level of vigilance at all levels of government and society in the hope that tragedies of this nature will not recur.

Last month as Typhoon Fanapi approached, our central government, armed forces, police and fire departments, and local governments at all levels were fully mobilized to prepare for disaster. To minimize the damage, they first evacuated more than 16,000 people from risky areas. If the more than 100 people of Laiyi Village in Pingtung County had not been evacuated in time, for example, there may have been a replay of last year's Xiaolin Village tragedy [in which hundreds of lives were lost in a landslide]. This again demonstrates the correctness of our strategy, in the face of extreme, ever-changing weather conditions, to emphasize disaster preparedness over disaster relief, and evacuation over other preparedness measures; to hope for the best, but prepare for the worst; and to prepare for disasters in advance, deploy troops with an eye to disaster preparedness, and ensure readiness for rescue operations.

A number of issues have given rise to controversy over the question of environmental protection versus economic development. Some of the more notable disputes concern the Academia Sinica biotechnology park, the Central Taiwan Science Park environmental impact assessment, and Kuokuang Petrochemical Technology Company's development plans. From the perspective of our nation's sustainable development, equal importance should be placed

on environmental protection and economic growth. But in the event it is judged that economic development will severely impact or damage the environment, environmental protection should take priority. The severity of possible impacts or damage should be determined by scientific, rational assessments. Though we must pursue economic growth, it is even more important to protect our environment and health.

More comprehensive concern for our land is therefore essential. Priority must be given to the restoration and preservation of environmentally sensitive areas, including important agricultural land, mountain forests, wetlands, grasslands and rivers, as well as of cultural heritage sites and scenic areas. At the same time, we must improve the industrial structure as well as the current environmental impact assessment system, incorporating them as essential aspects of national land planning. With the goal of sustainable development of the nation's lands in mind, in the future this government must pay greater attention to people's opinions concerning the development or expropriation of land, show greater concern for the land, and take a long-term perspective so as to ensure sustainable development.

Deepening educational reform

My fellow citizens: Children are our hope for the future. I pledge to expedite efforts to forge public consensus and create the necessary conditions to institute 12-year compulsory education. First, we will start compulsory education a year earlier so that all five-year-olds can attend kindergarten tuition-free. We already began with offshore islands and remote areas this year, and will expand the program next year to cover the whole nation.

Furthermore, we absolutely must not neglect impoverished and disadvantaged children. Through reallocation of educational resources, we must revamp learning environments that are not beneficial to them and help them acquire effective knowledge and skills from their schools so they can rise above poverty. We definitely must ensure that impoverished children have the same opportunities as others to realize their life's dreams.

Spearheading participatory judicial reform

Bribe taking by judges, the quality of court verdicts and the efficiency of judicial processes have recently been the focus of sharp public criticism. We believe that the judiciary must of course be independent, but it must not be isolated from society or behave in a manner contrary to reasonable expectations of the public. The judiciary must be able to protect law-abiding citizens. This is the most fundamental standard of justice.

Future judicial reform must be participatory in nature. It should be undertaken from the perspective of ordinary people, with an understanding of what the public expects of the judicial system, and with empathy for the suffering they must undergo in the litigation process. A new Judicial Yuan president and vice president have been installed. Together with the minister of justice and the prosecutor-general, who took office half a year ago, they constitute a new judicial team. I am confident that this team will be responsive to public expectations and play an active role in participatory judicial reform.

Government agencies will also work together to re-examine relevant regulations and legal

procedures, improve the quality of court verdicts, enhance efficiency, and institute a friendly court environment. They will also expedite the passage of a Judges Act and establish mechanisms for evaluating the performance of judges and prosecutors, with an eye to keeping the good, eliminating the corrupt, and re-establishing the public's trust.

Our plan to establish an anti-corruption agency demonstrates our determination to eliminate and prevent all manner of corruption. This administration is committed to eradicating criminality. We absolutely will not compromise with the forces of corruption.

Human rights protections are another important aspect of judicial integrity. In May of last year, we ratified two United Nations human rights covenants—the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights—and are now actively working to amend any domestic laws and regulations that may run counter to the standards set out therein. To further promote the development and protection of human rights and basic freedoms, I hereby announce the establishment of a Human Rights Consultative Committee under the Office of the President. Vice President Siew will chair the committee, and is in charge of setting it up. The committee will be composed of both public officials and private citizens, who will discuss and develop human rights policies and issue regular human rights reports, so as to raise the level of human rights in Taiwan.

Promoting cross-strait relations, expanding international participation

Fellow citizens: We have recently seen great improvement in relations between Taiwan and mainland China and a marked relaxation in cross-strait tensions. Mainland authorities have recently mentioned the possibility of removal of missiles aimed at Taiwan. We feel this has a positive significance for cross-strait relations and hope that it becomes a reality as soon as possible.

Of course, our hopes for Taiwan's security cannot rest solely upon improvements in cross-strait relations. Thus, it is our necessary and unchanging policy to develop our independent military capabilities while continuing to import weapons of a defensive nature that we cannot manufacture ourselves. We will also continue to boost multilevel cross-strait economic, cultural and social ties, building confidence and resolving differences, so as to maintain lasting peace across the Taiwan Strait.

The Republic of China is a country with independent sovereignty. We conduct relations with mainland China under the framework of the ROC Constitution and on the basis of the "1992 Consensus." Although at this stage the two sides of the Taiwan Strait cannot accord de jure recognition to each other, we nevertheless should be able to pragmatically adopt a policy of de facto "mutual non-denial."

The people on the two sides of the Taiwan Strait are ethnic Chinese—"descendants of the legendary emperors Yan and Huang." As the two sides pursue closer cross-strait ties, we hope to also expand cooperation with mainland China in the international sphere. We want to avoid antagonism and gradually develop a virtuous cycle of mutually beneficial, win-win interaction.

Taiwan is a full democracy. Any agreement that we sign with the mainland must receive

public support, and is subject to parliamentary supervision. At the same time, we will maintain the cross-strait status quo of “no unification, no independence and no use of force” under the framework of the ROC Constitution, uphold the principle of putting Taiwan first for the benefit of its people, safeguard the Republic of China’s sovereignty, and maintain Taiwan’s dignity.

In the future, we will continue to strengthen cooperation with all of our diplomatic partners as well as other nations, including the United States, Japan, countries in Southeast Asia, New Zealand, Australia and European Union member states. We will actively seek to participate in international organizations and their activities and, in the spirit of humanitarianism, provide aid to developing partner countries. This administration is committed to enhancing the ROC’s international status and, with a pragmatic and flexible approach, will actively work to sign free trade or economic cooperation agreements with our trading partners—all with the aim of building up Taiwan while linking with the Asia-Pacific region and deploying globally.

Here, I would like to stress that the ROC plays four roles in the world: first, as a peacemaker; second, as a provider of humanitarian aid; third, as a promoter of cultural ties; and fourth, as a creator of new technologies and business opportunities. Though our territory is small, our aspirations are ambitious. We look forward to integrating with the world community. We are eager to take on the challenges of globalization, and hope to make contributions to the international community. We want to win respect for the ROC, and be the type of country that stirs people’s hearts.

Conclusion

My fellow citizens: The people who live on this piece of earth have never meekly bowed to fate. We have managed to grow amid adverse circumstances and, step by step, realize the ideal of a democratic republic as envisioned by our founding father, Dr. Sun Yat-sen. Looking to the future, we are full of confidence and optimism!

Democracy and freedom have come to define the spirit of Taiwan. A rich social diversity has made Taiwan’s culture and lifestyle a “benchmark” for Chinese communities around the world. Many of Taiwan’s young people have become international standouts in the areas of academics, sports, art, cuisine, design and invention. We see embodied in them Taiwan’s potential, Taiwan’s confidence and Taiwan’s hope.

Fellow citizens: The ROC centennial is just around the corner. The story of the first century of the Republic opened against a background of social upheaval, but our nation went on to record extraordinary achievements through peaceful development. The ROC’s second century will kick off with a “golden decade” prelude. Now, we begin to write a brand-new chapter.

This is the responsibility we undertake in remembrance of our ancestors and national martyrs, as well as our promise to our children and future generations!

In closing, please join me in shouting: Long live the Republic of China! Long live Taiwan’s democracy! Thank you.

Protecting the country by promoting peace – Change has begun

Date: June 7, 2010

Press Release

Office of the President

President Ma Ying-jeou unveiled his “six steps to a better Taiwan” at a press conference marking the second anniversary of his inauguration. These six steps are to strengthen the country through innovation; revive the country by promoting culture; save the country through environmental protection; stabilize the country by adhering to the constitution; secure the country by providing social services; and protect the country by promoting peace. This approach will create the foundation for a golden decade, he said. All major policy changes adopted during his two years in office have been predicated on the key pre-condition of cross-strait peace, and improvements in this regard have resulted in a much rosier outlook on Taiwan’s competitiveness. The president expounded on the idea of “protecting the country by promoting peace,” commenting as follows:

I believe that the major reforms promoted over the past two years are being reflected in the nation’s competitiveness scores. The government’s insistence on protecting the country and fostering regional stability through peace have been widely applauded by the international community. If the benefits of cross-strait reconciliation can be expanded to the sphere of foreign relations, Taiwan will be able to promote many internal reforms amid a peaceful external environment. This type of policy will not damage the ROC’s sovereignty or dignity in any way, and the entire world is witnessing these changes.

The most prominent result of the government’s efforts to improve cross-strait relations has been an increase in interaction between the two sides. Increased interaction, reduces tensions and significantly lowers the potential for the outbreak of armed conflict. At the same time, neighboring countries are becoming friendlier to Taiwan since we have become a peacemaker rather than a troublemaker.

Confrontation between the two sides has given way to negotiation, and conflict to reconciliation, and the world community is in virtually unanimous support of this development, as it has helped to reduce regional tension and foster stability. At the same time, increased job opportunities have arisen here in the wake of the start of direct transportation between the two sides of the Taiwan Strait, the opening of Taiwan to mainland Chinese tourists, and the decision by Taiwan-invested firms in mainland China to come back and list their shares here instead of in Hong Kong.

While Taiwan is improving ties with mainland China, its relations with the United States, Japan, the European Union, New Zealand, Australia, and Southeast Asian nations are also taking a turn for the better. In particular, mutual trust has been re-established at the highest levels with some of the most influential nations. This has helped make it possible for Taiwan to become a party to the Agreement on Government Procurement and participate in the World Health Assembly. The development of cross-strait relations and the expansion of international relations are complementary to each other. Moreover, the smoother the development of

cross-strait relations, the better the ROC's relations will be with the international community. And once ties with the global community have strengthened, Taiwan's public will have even greater confidence and willingness to further build cross-strait relations. Everyone will benefit from this virtuous cycle.

The improvement of relations with mainland China has caused some people to grow concerned about whether the ROC's sovereignty might suffer and whether Taiwan's dignity be harmed. In fact, we have signed 12 agreements with mainland China, and in each case we have achieved the objective of "putting Taiwan first for the benefit of the people." This proves that we needn't sacrifice our sovereignty or suffer indignities in order to achieve cross-strait peace and prosperity.

New Inflection Point for Taiwan, New Era for Asia – Choosing Correctly at a Critical Juncture

Date: July 6, 2010

Ma Ying-jeou

President, Republic of China

At the fifth meeting between Taiwan's Straits Exchange Foundation (SEF) Chairman Chiang Pin-kung and mainland China's Association for Relations Across the Taiwan Strait (ARATS) Chairman Chen Yunlin, held on June 29 in Chongqing, the SEF and the ARATS signed the Economic Cooperation Framework Agreement (ECFA). If the agreement is approved by the Legislative Yuan, it is expected that the ECFA will take effect on January 1 of next year. In addition to having a far-reaching effect on cross-strait relations and further solidifying peace and prosperity on both sides of the Taiwan Strait, the ECFA will also influence the structure of cross-strait economic ties and the nature of competition and cooperation in the Asia-Pacific region. President Ma made the following comments in explaining his observations and thoughts on this situation:

I believe that the signing of the ECFA is extremely important for Taiwan, for cross-strait relations, for the Asia-Pacific region, and even for the entire world. First, the ECFA is a major step for Taiwan in overcoming economic isolation, as it heads off the threat of economic marginalization. Second, the ECFA is a major step forward for the two sides of the Taiwan Strait in economic reciprocity and cooperation. Under a systematized framework, the agreement will help Taiwan generate more business opportunities and increase the number of jobs here. Third, the ECFA constitutes a major step in hastening economic integration in Asia. In the future, the value of Taiwan will become more important in the eyes of the Asia-Pacific region and the global community. Taiwan has a strong chance of becoming a springboard for companies from throughout the world seeking to enter the mainland market.

The signing of this agreement also enables us to fulfill four promises that we previously made to the public. Firstly, nothing in the content of the ECFA relates to the opening of Taiwan's doors to laborers from mainland China, nor does it further liberalize imports of mainland agricultural products. Secondly, the content of the agreement proves that it was not signed with only the interests of major enterprises in mind. The ECFA focuses broadly on the interests of the Taiwan economy as a whole, including small- and medium-sized enterprises (SMEs), vulnerable industries, laborers, and farmers. In addition, the agreement will enable 18 more agricultural products from Taiwan to be sold to mainland China, including bananas, oranges, tea, grouper fish, and milkfish. Third, this agreement has forged tariff concessions on various goods and services, and has also liberalized markets. The two sides have also signed a cross-strait cooperative agreement on the protection of intellectual property rights. This is an extremely important step, for it will create more opportunities for Taiwan's cultural and creative industries to develop in mainland China. Meanwhile, the government has included investment guarantees as a topic for discussion in the next round of negotiations. Fourth, this agreement was negotiated and signed under the principles of equality and reciprocity, as well as "putting Taiwan first for the benefit of the people." The ECFA has not damaged the nation's

sovereignty, nor has it compromised Taiwan's dignity.

However, the ECFA is just one among many measures we are taking to further boost Taiwan's economy. We need to move quickly to take advantage of this opportunity by re-examining various policies and methods that have already served their purpose, and by finding new ways to spark the economy. Taiwan has an extremely advantageous geographical location in East Asia. We are also a nation with lots of outstanding and enterprising people. We are an open society that emphasizes the values of democracy and freedom. Meanwhile, Taiwan features outstanding and diverse educational opportunities. However, in the years prior to our administration taking office, we failed to capitalize on Taiwan's strengths. We became stuck, making it impossible for us to fulfill our potential. After our administration took office, however, we adopted policies that emphasized deregulation and re-construction. In principle, we have moved in the direction of liberalization. For instance, we have reduced the inheritance tax and business income tax, and expanded public investment. In addition, we have liberalized direct transportation between the two sides of the strait, initiated the "three links," and opened our doors to mainland Chinese tourists. At the same time, we have signed an agreement with mainland China for direct flights between Taipei's Songshan Airport and Shanghai's Hongqiao Airport, and we have signed another agreement with Japan for direct flights between Songshan Airport and Tokyo's Haneda Airport. So it takes a comprehensive approach to truly help Taiwan break through the barriers facing it and free us of the various restrictions that have been placed upon us. Signing of ECFA is like equipping Taiwan with a pair of wings that will enable our economy to take off.

Amid these circumstances, there are several things we must do to keep Taiwan's economy moving forward. The first key task is to find a way to strengthen Taiwan's economy and attract investments from home and abroad. Secondly, we are using laws and regulations as a means to strengthen innovation and integrate the work of our government-related R&D institutions to boost the ability of Taiwan industry to innovate, develop name brands, and provide greater added-value in the service sector. It is also very important that we strengthen the basic building blocks of our economy. The Ministry of Economic Affairs recently identified 10 extremely fundamental industrial technologies that we will rely on over the next five to 10 years to enable us to become an industrial powerhouse. To be sure, the ECFA will play an important role in fueling this work.

Without a doubt, this effort to transform the economy is extremely difficult and immense, and in the process of transformation, some industries may not be able to adapt well. Some may even experience setbacks. The government must make necessary preparations. The Ministry of Economic Affairs and the Council of Labor Affairs are budgeting NT\$95 billion to be used over a 10-year period to provide assistance to industries that could be especially vulnerable to negative impact from the ECFA. These are the preparations we have made to counter the impact of free trade. In other words, this is not only a problem we will face in dealing with goods from mainland China. In the future, we will face similar challenges as well when we sign free trade agreements or economic cooperation agreements with other nations.

Secondly, we need to strengthen cross-strait cooperation. Mainland China is also in transition,

from the world's factory to the world's market. Because the global financial tsunami triggered a worldwide economic downturn last year, and because home appliances now sell briskly in remote areas of mainland China, the whole world is now paying very close attention to mainland China's domestic consumer market, and we certainly cannot allow ourselves to be left out in the cold. Therefore, we plan to instruct our trade promotion agencies, such as the Taiwan External Trade Development Council, to assist Taiwan enterprises in developing markets in the mainland.

Thirdly, we need to establish a global presence. Taiwan's development absolutely cannot and will not solely rely on mainland China. Therefore, we must diversify and manage risks, and seek a global presence. Our geographic advantage attracts foreign companies to invest in Taiwan. Ever since I began talking about signing an ECFA with mainland China, the American Chamber of Commerce in Taipei, the European Chamber of Commerce Taipei, the Japanese Chamber of Commerce and Industry, and many foreign companies have become more interested in investing in Taiwan. Consequently, we can become a platform for multinational enterprises seeking to invest in mainland China.

Our vision is to welcome the world to Taiwan and to send Taiwan out into the world. We expect to change Taiwan's economic role in the Asia-Pacific region through signing of the ECFA and many other supplementary measures designed to build on existing strengths. As for the concrete methods to achieve this, the Executive Yuan will establish a "task force for the promotion of global business" that within three months will formulate a global business promotion plan. Agencies that supervise various industries, such as the Ministry of Economic Affairs, the Ministry of Finance, the Financial Supervisory Commission, and others will work together to launch an all-out effort. Besides recruiting companies from the United States, Europe, and Japan, we also hope that Taiwan companies operating in mainland China will come back and invest in Taiwan. The task force will also regularly examine the results of the recruitment efforts. In addition, a "task force on global economic strategy" will be established under the National Security Council to supervise and follow various work, such as innovation, overtures to foreign firms, and investment. The task force will first hold consultations with related agencies under the Executive Yuan, after which the Executive Yuan will propose concrete projects. These initiatives will be promoted step by step. I am confident that this mechanism will coordinate and integrate our efforts, maximizing the results of this work.

At this point, I would like to urge the Legislative Yuan to speedily screen and pass the ECFA, firstly because the ECFA requires the amendment of various laws, and secondly because it is a policy of material significance. A policy that fundamentally redefines how our enterprises will deploy their resources—in mainland China, Asia, and the entire world—needs to be reviewed by the legislature, which represents the will of the people. We plan to arrange for Premier Wu to go to the Legislative Yuan to report on the ECFA. He will clearly explain to everyone how we plan to proceed and what the benefits will be for us. We hope that this arrangement will enable our parliamentarians to fully understand that the moves we are making to integrate into the global economy are beneficial to Taiwan, and that this is the correct decision at this critical point in time. We also hope that legislators will fully support the ECFA. I especially hope and welcome lawmakers from the opposition parties to exercise rational oversight, and

welcome them to offer their opinions on the ECFA. If our legislature carries out its oversight role in a rational and speedy manner, both our business sector and the general public will be able to enjoy the benefits brought by the agreement. We also hope that during the course of the review special attention will be given to the method of the review, as this will impact the willingness of our trading partners to work with us to forge free trade agreements or economic cooperation agreements in the future. Having finished with our preparatory work, we hope that the legislature will now review the ECFA in a speedy manner, enabling this agreement to be an important first step in creating a golden decade for Taiwan.

**Minister Lai's Speeches and Remarks – On current
cross-strait relations and ROC's Mainland policy**

Taiwan's Cross-Strait Policy – Building an Irreversible Foundation for Peace

Date: Sep. 8, 2011

Speech at Chatham House

Lai Shin-yuan

Minister of the Mainland Affairs Council, Executive Yuan

Dr. Julius, Ambassador Chang, Senior Advisor Professor Su, Ladies and Gentlemen,

I am very happy to pay this visit to Chatham House. Many thanks to the Royal Institute of International Affairs for the invitation. I would also like to thank Dr. Julius, Chairman of Chatham House and Ambassador Chang for arranging this event. It is a great honour for me to have this opportunity to meet with all of you here today.

The Royal Institute of International Affairs is one of the world's foremost think tanks for the study of international affairs. During its distinguished 90-year history, many wise people have engaged in countless discussions here for the purpose of avoiding war and turning conflict into peace, and have come up with many deeply influential strategies and suggestions for various situations around the world.

I believe that the existence of this institute has made the world a better place.

But despite all of the wisdom put into the prevention of war, it was not enough to prevent the outbreak of the Second World War, the Middle East Conflict, the Vietnam War, and many other wars and conflicts of all magnitudes during the past nine decades.

Nonetheless, amid the long history of disasters, there has still been some gratifying progress. One such example is the Good Friday Agreement of 1998, hammered out by politicians and others from England, Northern Ireland and the Republic of Ireland, which brought a bright new dawn of hope to the centuries-old ethno-religious conflict in Northern Ireland.

Here today, in my capacity as the Minister of the Republic of China's Mainland Affairs Council, I will relate my personal experience of another encouraging peace testament. My title for today's speech is "Taiwan's Cross-Strait Policy – Building an Irreversible Foundation for Peace." In this speech, I will recount how, in the three and a quarter years since May 2008, the government of the Republic of China under President Ma Ying-jeou's leadership has put the utmost effort into improving relations between the two sides of the Taiwan Strait. And I will tell you the reasons why we have succeeded.

The importance of negotiation in promoting peace

One of the key players in the signing of the Good Friday Agreement was the late Mo Mowlam, who was Secretary of State for Northern Ireland at the time. Mo enjoyed a

level of respect and affection from the British public rarely accorded to politicians.

On one occasion, she addressed the question of how such good progress could be achieved on the Northern Ireland issue when so many peace efforts around the world were floundering. In her view, the history of Northern Ireland showed that, when Britain and Ireland cooperated closely, the peace process could progress very rapidly; but when the two countries ceased to cooperate, difficulties quickly sprang up.

This phenomenon alluded to by Mo was in evidence not only during her tenure as Northern Ireland Secretary.

As you surely all know better than I do, the British government's strategy for resolving the conflict in Northern Ireland in the 1980s was to engage in direct dialogue with the Irish government. This led to the signing of the Anglo-Irish Agreement in 1985, under which the UK invited the Republic of Ireland to participate in Northern Ireland's governance, giving formal recognition to the Irish Republic's consultative role in Northern Irish matters. It also sought to persuade Northern Ireland's main political parties to participate in the consultations, to elicit a major political turnaround on the Northern Ireland issue as a whole, enter a new stage of reconciliation, and lay the foundations for subsequent dialogue and negotiation.

How institutionalized cross-strait negotiations were established

In cross-strait relations, how to get the governments on both sides to sit down and talk with each other was a key issue, too.

Twenty-some years ago, the people on the two sides of the Taiwan Strait had no contact with each other. At that time, Taiwanese could make a telephone call to England 10,000 kilometers away, but could not make a call to talk with their relatives in mainland China just 300 kilometers away.

In 1985, when I was studying for my doctorate at Sussex University, I needed to carry out a field survey in mainland China. But I could not go there from Taiwan, and could only set out for the visit from England.

At that time, the people on each side of the Taiwan Strait were cut off from each other. There was no contact between the two governments, and there were no mechanisms or channels for jointly dealing with any cross-strait problems or issues.

The political division between the two sides of the Taiwan Strait after the People's Republic of China was established in 1949, and the two sides' political non-recognition of each other, made official negotiations completely impossible.

In 1991, the two governments each set up a private entity to conduct cross-strait negotiations. In Taiwan, we called ours the Straits Exchange Foundation (SEF); the mainland called theirs the Association for Relations Across the Taiwan Strait (ARATS). These two intermediary entities, popularly referred to as "white gloves,"

were mandated respectively by Taiwan's Mainland Affairs Council and the mainland's Taiwan Affairs Office to conduct cross-strait negotiations and sign cross-strait agreements.

This was a richly creative political design by the governments on each side of the Strait. In form, government officials from both sides could maintain the situation of mutual non-recognition, while pragmatically conducting substantive negotiations on matters involving the public authority of each side's government.

The establishment of the SEF and ARATS was the start of institutionalized cross-strait negotiations. The term "institutionalized" represents the commitment by Taiwan and mainland China to pursue negotiation. It also signifies that, while the foundation of mutual trust between the two sides was still weak, they nonetheless intended that the negotiating mechanism should have a long-lasting existence, and that negotiations should be conducted as a regular matter, and not just as a once-off event.

The SEF and ARATS held their first meeting in 1993 and their second meeting in 1998, to establish the first beginning of cross-strait negotiation. Unfortunately, tensions in the cross-strait political situation then caused their meetings to be put in abeyance for a decade.

During that decade, as mainland China's economy rose, business, cultural and social contacts between the two sides continued without interruption. Cross-strait economic and trade connections grew closer and closer. But the lack of communication channels between the two governments meant that there was no way of dealing effectively with the various problems stemming from cross-strait contacts, affecting the order of cross-strait intercourse and the welfare of the people.

The gains already achieved from institutionalized negotiations

President Ma has a clear understanding of the importance of institutionalized negotiations for improving cross-strait relations. He understands the need for a "mechanism to mechanism" negotiating mode that enables government officials from both sides to engage in direct, substantive dialogue and negotiation, and that such a design is vital for achieving a pragmatic, effective and long maintainable course of negotiation.

Hence, after President Ma took office in May 2008, the SEF-ARATS institutionalized cross-strait negotiations were promptly resurrected the following month, in June 2008.

In the three and a quarter years since then, cross-strait negotiations have been conducted in accordance with President Ma's stipulation of "putting Taiwan first for the benefit of the people" as the highest guiding principle of cross-strait policy, and under the overall economic strategy of "strengthening Taiwan, linking with the Asia-Pacific, and positioning globally," with the foremost aim of promoting the systemization of cross-strait relations, and with priority placed on addressing matters concerning Taiwan's economic liberalization and internationalization, and dealing

with problems affecting the lives of the people.

In six rounds of high-level talks between the SEF and ARATS during these three years, we have signed 15 agreements that have made important contributions to the well-being of the people on both sides of the Taiwan Strait and the benign development of cross-strait relations. Prominent features of these agreements include:

- The opening of direct cross-strait air and sea transport and direct cross-strait postal services, to establish sound infrastructure for cross-strait connections and dealings.
- The opening of Taiwan to tourists and investment from the mainland, to improve the cross-strait flow of people, capital and technology that previously was heavily lopsided toward mainland China, and promote a more balanced interflow.
- Instituting cross-strait cooperation in financial services, agricultural product inspection and quarantine, standards, metrology, inspection and accreditation, and other areas of industry, to remove barriers to cross-strait financial transactions, and tackle problems encountered in cross-strait goods in trade and investment.
- Launching cooperation in cross-strait food safety, medicine and health, joint crime-fighting and mutual judicial assistance, and IPR protection, to rectify problems of order in cross-strait dealings, and to safeguard the health, safety, humanitarian, IP, and other rights of people on either side of the Strait.

Among these 15 cross-strait agreements, I would particularly like to explain the importance to Taiwan and the development of cross-strait relations of the Cross-Strait Economic Cooperation Framework Agreement (ECFA), which was signed on June 29 last year.

During the past ten years, globalization and regional economic integration have become increasingly important trends. But while Taiwan has successfully gained admission to the WTO, it has faced major obstacles when it has sought to enter into bilateral or regional economic agreements. ECFA changes this fundamentally. Adhering to the stance of pursuing “negotiation in place of confrontation” and “conciliation in place of conflict,” President Ma has led the way for the government to dispel domestic political pressure and achieve a key breakthrough with the signing of ECFA.

ECFA’s significance for Taiwan lies not only in its arrangements for the systemization of cross-strait economic and trade dealings, or the cutting of tariffs on items in the early harvest lists. Its even greater significance is the signal of cross-strait peace that it sends out to the world, prompting the governments of other countries to more actively consider negotiating and signing economic cooperation agreements with Taiwan. This is vitally important for enabling Taiwan to avoid the threat of economic

marginalization, and enabling it to bring its economy further into alignment with world markets. It is also a key step in “bringing the world to Taiwan, and taking Taiwan into the world.”

Since the signing of ECFA, Taiwan has already commenced negotiation of an economic partnership agreement with Singapore, while many other important trade partners have made moves in the same direction, with the Philippines, Indonesia, India, and the European Union all successively indicating a willingness to sign economic pacts with Taiwan. This is the best evidence of the true value of ECFA for Taiwan.

These fruits of our negotiations have created a cooperative cross-strait relationship that is beneficial to both sides. We have alleviated the tense state of confrontation that persisted between the two for so long in the past, and have opened up an unprecedentedly positive new situation for cross-strait relations. These achievements have, at the same time, enhanced the outlook for regional concord and prosperity in East Asia.

We can responsibly say that the great majority of Taiwan’s people give a positive evaluation to the results of cross-strait negotiations. According to public opinion surveys of all sections of our society, nearly 80 percent of the people support institutionalized negotiations as a means of solving the problems of cross-strait contacts.

Indeed, the base of public support for ECFA is so solid that it has induced the DPP’s presidential candidate, Tsai Ying-wen, to change her position toward it. Having originally been against the signing of the agreement, she has recently shifted to accepting its existence.

The reasons for the success of cross-strait policy

In my opinion, the success of our administration’s cross-strait policy can be attributed to two main factors: Its accordance with the pragmatic assertion of Taiwan’s interests, and President Ma’s firm and consistent political leadership.

The common wish of Taiwan’s people is to maintain peace, prosperity and stability under a liberal democratic system. Peaceful development in the Taiwan Strait is a key element of this.

Eleven years ago, Taiwan experienced its first change of ruling party. During his eight years in power, former President Chen substantively pushed his “one country on each side” doctrine, and denied the existence of the “1992 consensus.” He pursued inflammatory scorched-earth diplomacy, heightening cross-strait antagonism, imperiling the peace of the Taiwan Strait, and causing Taiwan to become more internationally isolated. This ran counter to the wishes of the people, and was a betrayal of the people’s confidence and trust.

Three years ago, when President Ma took office, he immediately exhibited a pragmatic position that matched Taiwan's best interests. Setting cross-strait policy under the highest governing rule of "putting Taiwan first, for the benefit of the people," and adhering to the principles of "facing reality, creating the future, shelving disputes, and pursuing a win-win situation," he sought out points of balance in the two sides' common interests, and new footings of advantage for the simultaneous development of cross-strait and international relations. The specific elements of his position include the following:

- In the international community, particularly in respect of maintaining regional collective security, Taiwan should play the role of "peacemaker" and "responsible stakeholder," and should not again act as a "troublemaker."
- In cross-strait relations, acting under the framework of the Republic of China Constitution, and upholding the Taiwan Strait status quo of "no unification, no independence, and no use of force," our government should pursue the peaceful development of the two sides of the Strait on the basis of the "1992 consensus," with each side making its own interpretation of "one China."
- In foreign relations, we should pursue a strategy of "viable diplomacy" in place of "scorched earth diplomacy," reducing malignant competition and pointless depletion of resources in vying with Beijing on the diplomatic battleground, to enable Taiwan to focus on strengthening ties with its allies. At the same time, we should strive to expand our participation in the activities of international organizations, to enable Taiwan to play a more important role in the international community.

Ladies and gentlemen, I must honestly report to you that the position I have described here has continuously come under militant and provocative attack from the opposition party and opponents within Taiwan, questioning if the government is forfeiting Taiwan's sovereignty, pandering to mainland China, and selling out Taiwan. But the true situation is nothing like that at all.

In formulating the principles and stances of our government's cross-strait policy, President Ma has carefully considered Taiwan's long-term interests and development. He has carried out the policy staunchly and consistently all the way, without any compromise or backing down. Modest and responsible when facing the people of Taiwan, the President is pragmatic, wise and resourceful when facing mainland China. At the same time as he seeks to improve relations with mainland China, the President is still able to protect Taiwan's identity and defend the sovereignty of the Republic of China.

President Ma's cross-strait policy is a true manifestation of boldness and resolution.

Of course, none of this is an easy matter. Political figures in democratic countries must all face the test of public opinion and winning votes. All too often, they resort to

finding wedge issues to separate the voters and pull the country apart, despite the public expectation of their finding issues to unite the country.

When the main purpose of cross-strait policy is to garner votes rather than to manage cross-strait relations, the policy-makers are committing a very serious mistake.

When “Taiwanese identity” and “cooperating to improve cross-strait relations” are treated as antagonistic and incompatible propositions, it ties cross-strait relations into knots that cannot be undone.

But President Ma deeply believes that Taiwanese identity and peaceful cross-strait development can co-exist in harmony, and are not mutually exclusive.

In Taiwan’s highly democratized society, cross-strait issues are extremely contentious. The people are easily torn apart by differences of opinion. Politicians ought to find issues that unite the people. That is exactly what president Ma is doing.

President Ma emphasizes that the two sides of the Taiwan Strait should take a pragmatic approach of de facto mutual non-denial toward each other, and take this as the basis for the step-by-step advancement of cross-strait relations.

“Mutual non-denial” is a unique concept. It has already gained a place in the writings of Professor Lori Damrosch, Louis Henkin and other academics, being cited in the latest edition of International Law Cases and Materials as a significant case in point in the examination of sovereignty.

It is this strong commitment to convictions and principles, together with real capability in carrying out policy, that has made President Ma’s administration a force for stability, given the people a sense of direction, gained understanding and support from our international allies, and gradually generated mutual trust between ourselves and mainland China, creating conditions for peace, stability and development.

If the principles and propositions of our government’s conduct of cross-strait relations were to be overturned, cross-strait relations would inevitably plunge into a state of uncertainty. That would strike a huge blow against both cross-strait and regional development, and would have an especially heavy impact on Taiwan.

The cross-strait relationship is an issue that responsible politicians must face squarely and soberly. They cannot skirt around it with ideals divorced from reality or mere slogans.

The outlook for cross-strait relations: Building an irreversible foundation for peace

In the past three and a quarter years, institutionalized cross-strait negotiations between the SEF and ARATS have yielded the signing of 15 agreements. These agreements have delivered many clear and solid benefits. The opening of direct cross-strait air transport has shortened the travel time between Taipei and Shanghai from seven hours to less than one and half hours. The opening of Taiwan to mainland tourists, and

recently to independent travelers from the mainland, has enabled more than two and a half million mainland Chinese to experience Taiwan's pluralism, freedom and democracy, narrowing the cognitive distance between the peoples on the two sides of the Strait. The agreement on joint crime fighting and mutual judicial assistance has narrowed the distance between the two sides' governments in respect of legal institutions and concepts of governance. And the signing of ECFA has enabled Taiwan to break out of its entrapment in economic marginalization, and narrow its distance from interaction in the international sphere.

None of these 15 agreements is subject to any political preconditions, and none of them contains any political wording. The fruits of their implementation are beneficial to Taiwan's economy and to the lives of the Taiwanese people. They have not harmed the sovereignty of the Republic of China in any way, shape or form, but have actually consolidated it.

Furthermore, the strategy of "viable diplomacy" and the amelioration of cross-strait relations have enabled Taiwan to expand its international space. In the past three years, the Republic of China has not lost a single one of its diplomatic allies. We have succeeded in gaining participation in the World Health Assembly (WHA) and becoming a member of the WTO Agreement on Government Procurement (GPA). The United Kingdom, Ireland, New Zealand, Canada, the EU, Malaysia and many others countries and territories have one after another granted visa-free treatment to our citizens. Taiwanese can now visit 117 countries and territories without having to apply for a visa in advance, 63 more granted us this privilege after President Ma took office. Thanks to these gains, Taiwan can now be more active on the international stage, Taiwanese people can travel to all parts of the world more conveniently, and our national sovereignty has been further consolidated.

The knotty issues between the two sides of the Taiwan Strait cannot be resolved within a short time. But as Mo Mowlam said when she summed up her political life: "We are not exempted from difficult times in the future unless we start recognizing the problems that lie ahead." She also said: "All I can offer is on the national level: that the government should face up to the difficult problems ahead, that the public should practice some tolerance in the face of these issues and try and help the politicians make progress, and that the media should examine problems in the context of today and not in the light of past prejudices."

During the past three and a quarter years, the achievements I have described that have resulted from President Ma's pursuit of institutionalized cross-strait negotiations have already coalesced into the building of peace in the Taiwan Strait, and even into a force for regional peace.

In the future, we will continue to adhere to President Ma's staunch and unswerving convictions in carrying on negotiations with mainland China. Our negotiating agenda will include the making of ECFA follow-up agreements on goods trade, services trade,

investment, and dispute settlement, as well as negotiations on other matters of common concern to the two sides of the Taiwan Strait.

Ladies and gentlemen, we also applaud the goodwill and effort exhibited by mainland China during this period. The two sides of the Taiwan Strait are trying to bring mutual tolerance and understanding to bear as we seek out solutions to problems. We are continuously building up mutual trust. The transition of cross-strait relations from conflict to stability has not been easy. The achievements of the current stage are just the beginning of the building of peace in the Taiwan Strait.

We believe that we are taking the right path, and one that matches the wishes of the Taiwanese people. The government of the Republic of China will resolutely follow this path until an irreversibly solid foundation for cross-strait peace has been established.

Thank you for your attention. Now I look forward to hearing your comments!

The Republic of China's Mainland Policy: Piloting Cross-Strait Relations to Create a Peaceful Environment for Benign Interaction between the Two Sides of the Taiwan Strait

Date: July 7, 2011

Keynote speech at the international conference on "Facing the Challenges of Cross-Strait Relations in 2012," co-organized by National Chengchi University's Institute of International Relations and the Carnegie Endowment for International

Peace

Washington DC

Lai Shin-yuan

Minister of the Mainland Affairs Council, Executive Yuan

Vice President Paal, Director Yen, Ladies and Gentlemen:

Good morning!

I am very pleased to be able to take part in this international conference on "Facing the Challenges of Cross-Strait Relations in 2012." I am sure we will gain precious insight and enlightenment from your collective probing into this important subject.

During the last three years, close cross-strait interaction and cooperation have brought peace and stability to the Taiwan Strait. Yet there are still many difficult challenges before us that need to be faced. Looking forward, I believe that, in the course of cross-strait interaction, Taiwan has a responsibility to share with mainland China the experience we have gained from the last six decades of our economic development and the process of our democratization. The Taiwan experience, particularly its core values of liberty and peace, can become a leading force in the advancement of cross-strait relations.

Today, on this theme, I will tell you about the main significance and practical achievements of the ROC's mainland policy.

1. Upholding the ROC's democratic constitutional system, while actively building peaceful and stable cross-strait relations

The Republic of China is one hundred years old. Its century of development as Asia's first democratic republic has persisted through the utmost hardship. It has been riven by war and separation, steeped in blood and tears, embroiled in struggle. For more than 60 years, the realization of the ROC's nation-building ideals has taken root and blossomed in Taiwan. On our island soil, where people of many ethnicities live together, the interplay of various complex sentiments has coalesced into the common values of "liberty" and "peace" that we treasure today. And the institution that safeguards these values is the democratic constitution of the Republic of China.

Taiwan's democratic development has budded amid the many difficulties and challenges of the situation in the Taiwan Strait. After the second change of ruling party in Taiwan on May 20, 2008, President Ma actively set about improving cross-strait relations. On the second anniversary of his inauguration, he unveiled his idea of "protecting the country by promoting peace" as one of his "six steps to a better Taiwan." The crux of this idea is the promotion of peace as a means of establishing a new order in the Taiwan Strait, while adhering firmly to our democratic system. In other words, we will not compromise democracy for the sake of promoting progress in cross-strait relations. The process of cross-strait contacts will in no way shake or undermine the ROC's democratic constitutional system.

The experience of the last three years testifies to the establishment of peace and stability as the status quo in the Taiwan Strait today. The two sides have been able to interact benignly on an equal and dignified footing, putting aside our sovereignty dispute. Government officials from both sides have sat down together to confer and negotiate. Exchanges and interactions between our societies have expanded in every sphere. All of these represent a massive change from the state of hostility across the Taiwan Strait that prevailed in the past. Moreover, in the process of cross-strait interaction, the democratic system of the ROC has not only been completely unharmed, but has actually been bolstered.

This state of affairs must surely stand out as a precious model in a world full of tumult, and amid the discords and conflicts in the East Asian region. Forty years ago, John Lennon's call to "Give peace a chance" was sung out to every part of the world. It may have gone largely unheeded by politicians in most parts of the world, but his dream has been turned to reality across the Taiwan Strait in the last three years. The conciliation in cross-strait relations has turned the threat of war into opportunity for peace and prosperity. The efforts made by the two sides of the strait to "give peace a chance" have been applauded around the world, and have matched the common hopes of the international community.

2. Creating external conditions for peace and prosperity, to make Taiwan a force for stability in the midst of historic transition

The crux of the ROC's mainland policy is to create external conditions that will enable Taiwan to develop stably. We pragmatically recognize the need to cast off Cold War thinking in cross-strait relations, and to work together to create a winning situation for both sides. In a nutshell, it is what ancestors referred to as "turning swords into plowshares."

Our basic position in promoting cross-strait relations is that the ROC is a sovereign, independent country; that we will act under the framework of the ROC constitution to uphold the status quo of "no unification, no independence, and no use of force" in the Taiwan Strait; and that we will adhere to the principle of "putting Taiwan first for the benefit of the people" in pursuing the improvement of cross-strait relations.

We respect the different perspectives created by the different historical experiences that the two sides of the strait have gone through over the past 400 and more years. And we will strive to reconcile step by step the estrangements and misunderstandings of the past sixty-some years. We have resurrected institutionalized cross-strait negotiations on the basis of the 1992 consensus, with each side having its own definition of the meaning of “one China,” while we assert that the “one China” is the Republic of China.

Internally, the ROC’s mainland policy must reconcile differences of opinion between the ruling and opposition parties; externally, it must staunchly uphold the interests of our nation and our people. Through such stance and principles, we can gradually bolster the Taiwanese people’s self-confidence in dealing with mainland China, and need not have fears about engaging in dialogue and connections with mainland China on account of its rising political and economic power. Such self-confidence can enable Taiwan to maintain a firm attitude in continuing to improve cross-strait relations. It can turn the Taiwan strait from being an unsteady East Asian flash point, teetering on the edge of conflict, to instead become a buttressing force for regional stability. It can enable the two sides of the strait to interact rationally, and collaborate to achieve co-prosperity.

This is the right path to peace. We need to step steadily to go far along it. We will certainly walk along it with steady determination. Close to 90% of Taiwan’s people support maintaining the status quo in all forms. This wish of the people to maintain the status quo in the Taiwan Strait is what solidly underpins the advocacy of “no unification, no independence, and no use of force” in the ROC government’s mainland policy.

3. “Mutual non-denial” in cross-strait institutionalized negotiations, as the cornerstone for building up mutual trust

If we cast our eyes around the world, we cannot see anything like the cross-strait situation elsewhere. In the past three years, six rounds of high-level cross-strait talks have been held, resulting in the signing of 15 agreements and the reaching of one item of consensus. In this short space of time, the two sides have made up the past deficiency in systemic regulation. This is an historic achievement that has hardly been matched in the ROC’s 100-year existence. The signing of these agreements has exerted a push-pull effect, pushing the advancement of cross-strait interaction, and at the same time pulling unregulated aspects of cross-strait dealings onto a sound track. This has created active cross-strait cooperation in the economic, trade and social spheres. It has generated new prospects for internal development on both sides. And it has laid a sound basis for mutual trust and benign interaction between the two sides of the strait.

Now, cross-strait negotiations are conducted directly by government officials. After agreements are signed, mechanisms are set up for liaison between government

agencies on each side, to jointly carry out the agreements and solve related problems. This kind of official-to-official and agency-to-agency conduct of business and interaction indicates that, though the two sides of the strait do not recognize each other's sovereignty, they have already substantively entered a state of "mutual non-denial of authority to govern" in systematized dealings.

In this process of reciprocating and interweaving benefits, the two sides have combed out sets of rules for orderly interaction. We no longer need to resort to violent altercation, no longer have to deal with the lack of orderly arrangement. However, there are still many problems of order in cross-strait economic, trade and other dealings that affect the interests of people on both sides. But we hope that in the future these can be dealt with partly by the negotiation and signing of further agreements, and partly by the vigorous implementation of the agreements already signed.

At present, the two sides are actively negotiating on investment protection and nuclear power safety issues. We hope to conclude agreements on these matters at the 7th round of Chiang-Chen talks. Meanwhile, the Cross-Strait Economic Cooperation Committee convened its first regular meeting on February 22 this year, and the two sides have already launched ECFA follow-up negotiations.

We believe it is essential for the two sides of the strait to move forward in an orderly, step-by-step manner, and gradually build up experience of dealing with each other. Only thus can we solidify the foundations of mutual trust, and solve problems pragmatically. This mode of institutionalized negotiations has a high level of support in Taiwan, receiving approval from nearly 80% of respondents in public opinion surveys. The 15 individual cross-strait agreements that we have signed to date have also received high approval ratings of 60~80%. These poll results show that the Ma administration's mainland policy is in line with public sentiment and the general expectations of Taiwanese society.

4. Peace is the greatest dividend

President Ma's cross-strait policy has brought an enormous peace dividend. We have seen conspicuous growth and important breakthroughs in all kinds of cross-strait interflows. For example, last year there were 1.7 million visits to Taiwan by mainland Chinese, including 1.2 million tourist visits, which was twice as many as the year before. Also last year, Taiwan's trade with the mainland was worth US\$152.33 billion, up 39.4% from the year before.

The benefits delivered by ECFA are another concrete example of the peace dividend. Our export figures show that, in the first quarter of this year, our cross-strait exports of ECFA early harvest items were up by more than 20%. Among these, machinery and machine tool exports were 70~90% higher, while agri-product exports to the mainland posted a 16-fold increase. In the 2011 world competitiveness rankings issued by Swiss-based IMD, Taiwan was ranked 6th, up 17 places from 2 years ago. IMD stated that the signing of ECFA and the improvement of cross-strait relations were the main

reasons for Taiwan's rise in competitiveness.

In addition to the economic benefits, the improvement of cross-strait relations has also expanded the scope of Taiwan's external relations and participation in international activities. Currently, we are making smooth progress in negotiating an economic partnership agreement with Singapore, and we are conducting FTA feasibility studies with India and the Philippines. Meanwhile, we have maintained stable ties with all 23 of Taiwan's diplomatic allies.

Our involvement in international bodies has been enhanced not only by our accession to the WTO Agreement on Government Procurement, but also by our admission to the World Health Assembly for three successive years after 38 years of exclusion from all UN events. In addition to all of these positive developments, the number of countries and territories granting visa-free entry to Taiwanese citizens has more than doubled from 54 in 2008 to 116 at present; and a colleague in the Ministry of Foreign Affairs has told me that this number will soon increase to over 120. The improvement in cross-strait relations has made the international community more welcoming of Taiwan's meaningful participation in international activities. These peace benefits have at the same time alleviated mutual aversion and suspicion between the peoples on the two sides of the strait, enhanced our mutual understanding, and formed an atmosphere of goodwill that can nourish a virtuous cycle.

Of course, Taiwan also needs continued support from the international community. In the course of dealing with the recent tempest over the downgrading of Taiwan's status in an internal WHO document, the Secretary of the U.S. Department of Health and Human Services, Kathleen Sebelius, actively asserted to the WHO that no UN organization had the right to decide Taiwan's position on a unilateral basis. This clear and forceful statement constitutes a key support for Taiwan's meaningful participation in international organizations. We consider that the mode of our participation in the WHA should be extended to all WHO activities, and that Taiwan has a right and a duty to contribute to collective action by the global community.

I would like to stress again that the Republic of China is a sovereign and independent country. If mainland China wants to best develop cross-strait relations, it must positively face and respect this fact! It must understand that the gradual loss of the ROC's identity on the world stage over the thirty-some years up to 2008 was a cause of deep regret and pain to the Taiwanese people. If Taiwan cannot enjoy meaningful and dignified participation in international activities, the Taiwanese people will continue to harbor negative views toward the mainland, and cross-strait relations will not easily be fundamentally improved.

5. Taiwan's way of life and democratic values are observational indicators of the mainland's political and social reforms

In recent years, the rise of mainland China's overall strength has turned it into a closely watched force in global affairs. Taiwan and the mainland have close historic,

geographic, cultural and social connections. Hence, we have paid particular attention to internal changes in mainland China during these years, especially to the reform of its political system, the problem of its rich-poor gap, and the state of development of its civil society. Addressing these structural issues is an extremely difficult task that the mainland authority will have to face up to in the course of development.

We have paid attention to mainland China's current search for a system that matches the needs of its society. And we have noted the clear statements that have emanated from the mainland authorities as to their need to rely on political reforms to secure the fruits of economic reforms. In the past process of mainland China's reform and opening up, Taiwanese capital and technology played a bellwether role in mainland China's entry into the global economy, while Taiwanese investors and professional managers earned mainland China its first pot of gold from foreign trade. Now, through the development of cross-strait relations, the Taiwan experience is exerting an even broader effect, influencing mainland China in the social and cultural realms.

Taiwan is using its way of life, democratic system, to interact with the changing mainland China, and to turn its core values and soft power into a driving force for the uplifting of cross-strait interaction. Of course, in this process, Taiwan needs to join forces with the international community's freedom-loving countries, to ensure that cross-strait relations develop in the right direction, so that the people on both sides of the strait can share the blessings of liberty, equity, justice and other such values.

6. Regional allies must jointly protect the security of the Taiwan Strait

Taiwan is situated in a central strategic position in the first island chain of the Western Pacific, and is closely linked into the security of the Asia Pacific. We need the staunch support of the international community to enable us to continue exerting the optimum influence of the Taiwan experience in promoting peace in the Taiwan Strait. Although cross-strait relations have been greatly improved, there is still some risk that persists in dissonance with the current situation. Mainland China has not yet renounced its threat to use force against Taiwan, which remains a negative factor for peace and stability in the Taiwan Strait.

In a teleconference hosted by the Center for Strategic and International Studies on May 12 this year, President Ma stated that, to face up to the challenge of mainland China, we needed to have a strategy giving due balance of weight to security and prosperity. For this purpose, he outlined his three-pronged strategy for bolstering our national security, first, by institutionalizing cross-strait rapprochement, second, by enhancing Taiwan's contributions to international participation, and third, by aligning defense with diplomacy, to ensure that Taiwan possessed sufficient deterrent force.

Recently, some American experts have expressed the view that, as the situation in the Taiwan Strait is no longer tense, US-Taiwan relations might have some impact on the development of relations between the US and mainland China. Some have even suggested the need to review and amend the Taiwan Relations Act and military sales

to Taiwan. Though these are minority views, as an American's ally, Taiwan hopes that America can be pragmatic toward Taiwan as an ally. Asian security needs strong support from the international community, and Taiwan should not be omitted from the defense of the liberal alliance. At this key juncture in the development of cross-strait relations, there is all the more reason why the US should attach importance to Taiwan's power to exert a piloting influence on mainland China.

The military balance in the Taiwan Strait is growing more uneven by the day. In face of this situation, it is vital for Taiwan to raise its strength, to give it greater confidence in its dealing with mainland China. Continued support from the US, including the sale of essential defensive weapons, is a key factor in whether or not we will be able to effectively keep pursuing cross-strait conciliation, and is a sturdy prop for our being able to do so. Only when our security has been safeguarded will Taiwan be able to continue making a contribution to peace across the Taiwan Strait and stability in the Asia Pacific, and be able to continue exerting its influence on mainland China to best effect.

Conclusion

I remember that, in his Nobel Peace Prize acceptance speech, President Obama said: "For peace is not merely the absence of visible conflict. Only a just peace based on the inherent rights and dignity of every individual can truly be lasting." Therefore, to seek lasting peace, we must put the influencing force of Taiwan's experience to optimal effect in piloting cross-strait relations. Taiwan's strength lies in our democratic constitutional system and its defense of liberty, peace and other core values. I have to emphasize that core values will never just automatically exert an influence; they can only have a real effect on others through contact, dialogue, cooperation and mutual understanding.

My hope is that the improvement of cross-strait relations will enable Taiwan's core values to be truly understood by the people on the other side of the strait, and even adopted as their own values. This will be a big step along the way to promoting lasting peace, and is what I mean when I speak of Taiwan's "piloting" power. Of course, we also realistically recognize that there are basic differences between the two sides of the Taiwan Strait. We know it is not possible to resolve those differences in the near term. There are still many challenges to face along the road to cross-strait rapprochement and peace. But the government of the ROC will continue to communicate and interact with mainland China in a positive and steady manner.

As we celebrate the centenary of the Republic of China, Taiwan is already firmly established as a bastion and model of democracy in East Asia.

The mainland policy carried out under President Ma's leadership during the last three years is one of the most outstanding achievements by any of the world's national leaders, and deserves to be highly commended by the international community. President Obama and Secretary of State Hillary Clinton have expressed high approval;

and when I visited Europe last year, many of the EU's political leaders spoke praisingly to me of President Ma as a shining star of world politics.

I must stress to you all that the promotion of peace in the Taiwan Strait is also favorable to the US construction of an Asia-Pacific policy that brings benefit to itself as well as to others. The deepening and consolidation of the US-Taiwan alliance, and more concrete US support for Taiwan, will undoubtedly provide a favorable foundation for the beneficial effects of America's Asia policy.

Ladies and gentlemen, let me end by wishing you good health and happiness, and wishing this meeting the best of success. Thank you!

And now please let me hear your views and counsel.

The Core Interests of the People of Taiwan Form an Important Foundation for the Development of Cross-Strait Relations

Date: Oct. 2, 2010

Symposium on “Continuity and Change: Cross-Strait Relations from 2008 to 2010”

National Taipei University

Lai Shin-yuan

Minister of the Mainland Affairs Council, Executive Yuan

President Hou, Legislator Fai, Distinguished Participants, Ladies and Gentlemen,
Good morning!

I am very happy to be invited to participate in today’s symposium on “Continuity and Change: Cross-Strait Relations from 2008 to 2010,” held jointly by National Taipei University and the publishers of the magazines “Prospection and Exploration” and “Studies on Chinese Communism.” I also feel extremely honored to be able to meet together and exchange views with all of the distinguished participants here today.

The theme of today’s symposium – “Continuity and Change” – very well describes the developments and changes in cross-strait relations over the past more than two years since May 20, 2008. On November 2, 1987, the government announced lifting the ban on visiting the relatives in the Mainland, resuming cross-strait exchanges after a nearly 40-year suspension. During the following 20 years, economic, trade and people’s exchanges across the Strait steadily warmed up. However, relations between the two governments stalled and regressed, once even to the brink of war. It was not until over two years ago the breakthrough change appeared, the key to which has been the implementation of different thinking and methods of the ROC government’s Mainland policy since President Ma Ying-jeou came into office.

“Putting Taiwan first for the benefit of the people” is the highest guiding principle of President Ma’s Mainland policy. “Putting Taiwan first” means upholding Taiwan’s identity, while “for the benefit of the people” means that the fruits of institutionalized cross-strait negotiations shall be shared jointly by all the people instead of by certain major business groups.

In September 2005, President Ma was still the mayor of Taipei City. While mentioning the Three Links issue, he said, “What is wrong with promoting this policy if Taiwan is put first and the benefits are well taken care of?”

On March 17, 2007, as the former chairman of the opposition party, President Ma stated that Taiwan should adopt a proactive policy on cross-strait relations, resolving unfavorable factors through various types of negotiation and under the principle of “putting Taiwan first for the benefit of the people.” This policy should also maintain the status quo under the condition of benefiting the people, while “minimizing the threats and maximizing the opportunities” presented by the Mainland to Taiwan.

“Putting Taiwan first for the benefit of the people” is an inviolable guideline that the government must follow in carrying out its Mainland policy. It is also a long-standing conviction as well as a clear and consistent position held by President Ma. Since May 20, 2008, when the new government came into power and resumed institutionalized cross-strait negotiations, the two sides have signed 14 agreements and reached one consensus. All of the signed agreements have been submitted to the Legislative Yuan to ensure public supervision. Besides, all of the provisions are set out in black and white and are open to the public for inspection. These agreements are concrete realizations of the guiding principle of “putting Taiwan first for the benefit of the people.” In regards to aspects such as the economic livelihood and the order of exchanges, the public is also gradually feeling the substantial benefits created by the cross-strait agreements. Take the case of opening up to Mainland tourists to Taiwan for example. To date, 1.43 million person-times of Mainland tourists have visited Taiwan to witness Taiwan’s free, democratic and open social atmosphere, generating an over NT\$70 billion profit for tourism-related industries. Another example is the “Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance.” Since the Agreement came into force, the two sides have jointly cracked 21 major cross-border crime cases and arrested 1,268 criminals. Most of these cases were related to telecommunication fraud, one of the biggest headaches of the people of Taiwan. A total of 17 telecommunication fraud cases were solved, leading to the arrests of 1,254 suspects. These cases are all specific examples of the results of cross-strait agreements.

The cross-strait agreements have much to do with the people, and the benefits of these agreements for the people are specifically expressed in public opinion surveys. According to such surveys, the majority of Taiwan’s public opinion supports handling issues resulted from cross-strait exchanges through institutionalized negotiations. In July this year, China Credit Information Service conducted a public opinion survey showing a percentage of support as high as 79.3 on this issue, while a public opinion survey by Global Views Monthly also showed a support rate at 66.4 percent. According to the public opinion surveys conducted by various sectors, over 60 percent of the people approve of the several cross-strait negotiations held by the Straits Exchange Foundation and the Association for Relations Across the Taiwan Straits. They also believe that, in terms of the negotiation process as well as the final outcome of the agreements, the government has been able to uphold Taiwan’s interests without dwarfing its national sovereignty. Over the past more than two years, the government has successfully practiced President Ma’s position of “replacing confrontation with negotiation,” which has earned a high level of public support and laid a solid foundation for institutionalized cross-strait negotiations. Over the past 10 years, President Ma has consistently adhered to his position of “putting Taiwan first for the benefit of the people.” Moreover, the government’s Mainland policy over the past two years has been the most farsighted, feasible and correct path to take while facing a thorny and difficult cross-strait relationship.

Through the realization of institutionalized negotiations, the government will certainly uphold Taiwan's dignity and the sovereignty of the Republic of China, as well as defend the Constitution of the ROC in the process of promoting cross-strait reconciliation. This is not only President Ma's pledge at a press conference on the anniversary of his second year in office but also the government's duty. In the process of cross-strait exchanges, we will firmly guard and staunchly protect Taiwan's interests and stand with the people of Taiwan.

What are in Taiwan's interests? Tariff concessions under the ECFA Early Harvest List are estimated to generate an annual profit of about NT\$3.3- 3.8 billion for the grouper aquaculture industry. In addition, Taiwan's Minister of Health has attended the World Health Assembly for two consecutive years, enabling Taiwan to again stand on the stage of international health cooperation. This is not only beneficial to the livelihood of the people, but also conducive to our national survival. All of this represents the government's efforts to work for and defend Taiwan's interests. Taiwan's interests pertain to the welfare of 23 million people, with a comprehensive scope and numerous items. The government will carefully consider the developing situation and prioritize the order of policy implementation, as in Mainland policy meaning the well-known position of "economic issues first and political issues later, easy issues first and difficult issues later, and urgent issues first and less pressing issues later."

President Ma's policy ideas contain deep thinking and a long-term layout. In a speech presented on the second anniversary of his inauguration, President Ma stated six positions: "strengthening the country through innovation, reviving the country by promoting culture, saving the country through environmental protection, stabilizing the country by adhering to the Constitution, securing the country by providing social services, and protecting the country by embracing peace." On "protecting the country by embracing peace," the President said: "Peaceful means should be used to establish order in the Taiwan Strait. The objective of cross-strait relations is to expand reconciliation between the two sides of the Taiwan Strait to the diplomatic arena, giving Taiwan a peaceful external environment. This in turn will enable Taiwan to calmly and unhurriedly focus its attention on carrying out domestic reforms without interference. I want to reiterate that the government will adhere firmly to the principle of "no unification, no independence, and no use of force" under the framework of the Constitution of the ROC and apply the "1992 Consensus" as the foundation for the development of cross-strait relations. The government will first promote reconciliation, followed by cooperation, and lastly the establishment of peace. Gradual development like this contains important meaning." The President emphasized "gradual development," which has profound meaning in terms of the direction of time. In moving from cross-strait reconciliation to diplomacy, the President also placed spatial direction in a global framework. According to the President's policy planning, the government will promote its Mainland policy in a cadenced and methodical way, as well with a clear objective. The vision and policy objective of the ROC's Mainland policy is to further defend and develop the core

interests of the people of Taiwan with the aim of realizing the highest guiding principle of “putting Taiwan first for the benefit of the people.”

The core interests of the people of Taiwan is not a new concept. Seen in terms of the classifications of the government’s Mainland policy objectives, Taiwan people’s core interests should include at least the following items:

- (1) “Democracy”: Democracy is the basic principle of social development, a way of life, and a basic value in Taiwan. In his inaugural address on May 20, 2008, President Ma clearly stated that: “The key to the ultimate resolution of cross-strait issues does not lie in sovereignty disputes but in core values and way of life.” The freedom and pluralism of Taiwan exist in the ideas, thoughts, and daily life of the people. We are accustomed to resolving political disputes with democratic means. The vital social forces of Taiwan also depend on the political platform of democracy to enable the vulnerable to seek economic democracy and social democracy. Therefore, democracy is already the most important core interest in Taiwan.
- (2) “Sovereignty”: The Republic of China is a sovereign and independent country. We have our own government, own national defense, own diplomacy, and own elected president. The people of Taiwan enjoy all of the rights and obligations of the people of a sovereign country, and this is an undeniable and objective fact. The Republic of China is a sovereign and independent country, and it is the highest common factor that both Taiwan’s ruling and opposition parties can accept. When it was the ruling party, the Democratic Progressive Party also repeatedly emphasized that “the Republic of China is a sovereign and independent country.” The position of the ROC government is that no changes in the external objective environment shall damage the sovereignty of the ROC.
- (3) “Security”: Taiwan has the right to protect its security. The ROC government elected by the entire citizenry bears the responsibility to protect the people’s safety of life and property, therefore Taiwan must have a solid self-defense capability.
- (4) “The right to freely choose the future of cross-strait relations”: The 23 million people of Taiwan have the right to freely choose and decide Taiwan’s future. This is the consensus of the ruling and opposition parties in Taiwan. Any position on the future of cross-strait relations comes within the domain of freedom of thought and freedom of speech and is protected by the ROC Constitution.
- (5) “The right to meaningfully participate in the international sphere”: As members of the global village, the people of Taiwan have the right to participate in international affairs. Meaningful participation in the international sphere is a strong expectation of the vast majority of Taiwan people.

- (6) “The right not to be discriminated against”: As an economic and trade power, Taiwan has the right to enjoy a trade environment of fair competition. We have the right to participate in regional economic integration as well as the right to negotiate and sign economic agreements with trading partners.
- (7) “The survival right for the vulnerable”: In the process of regional economic integration, Taiwan’s traditional industries, agriculture, and workers have the right to be protected and not to be sacrificed.

The core interests of the people of Taiwan, therefore, are the right of the people of Taiwan to survive. This is a fundamental right that cannot be discounted and which the government is obligated to protect. Only when Taiwan people’s core interests are understood and respected can cross-strait relations continue to develop healthily and lay a lasting foundation for cross-strait peace, bringing cross-strait relations past the point of no return so that irreversible permanent peace can be reached. Simply stated, the core interests of the people of Taiwan form an important foundation for the development of cross-strait relations.

Compared with the more-than-60-year period of separate governments across the Taiwan Strait, and the more-than-400-year history of on-and-off disputes between Taiwan and mainland China, the last two years and four months in fact represents a very short time. However, during this short period, cross-strait institutionalized negotiations have achieved fruitful results: 14 agreements and one consensus, all of which hard-won; coupled with the transformation of cross-strait relations from tension and confrontation to peace and stability today. This is extremely precious, so both sides should cherish these achievements. We also approve of the goodwill and efforts made by mainland China over the past more than two years. I believe that countries and political powers exist for the people, therefore the people on both sides are the real protagonists in cross-strait relations. So long as the ROC government staunchly protects the core interests of the people of Taiwan, they can rest assured and have greater confidence in the government and in institutionalized cross-strait negotiations. This is the only way that cross-strait relations can continue to develop in a cadenced and healthy way. Difficulties and challenges will be faced in the future development of cross-strait relations. The two sides need to seek a way to resolve these problems with mutual tolerance and understanding. With the collective wisdom of the Chinese people, I am confident that permanent peace and stability in the Taiwan Strait can be expected.

Peace, Democracy and Prosperity: The Utmost Conjunctions of ROC Mainland Policy and EU Development Experience

Date: Sep. 14, 2010

European Parliament Speech

Lai Shin-yuan

Minister of the Mainland Affairs Council, Executive Yuan

Dr. Tannock, Members of the European Parliament, Ladies and Gentlemen,

Good morning to you all!

I am delighted to have this opportunity to visit the European Parliament. I deeply appreciate the invitation and kind arrangements for this visit by Dr. Tannock as Chairman of the EP-Taiwan Friendship Group. It is a very special honour for me to meet with all of you here.

In my speech to you today, I will draw lessons from the development experience of the EU to explain the main significance and value of the development of cross-strait relations. I have titled my speech: "Peace, Democracy and Prosperity: The Utmost Conjunctions of ROC Mainland Policy and EU Development Experience."

1. The historic experience and current situation of the EU and cross-strait relations

Europe and Asia have been closely bound in history through sharing the bitter afflictions of war. During World War Two, we both suffered terribly as countless battles were fought across our two continents.

This most widespread war in the history of mankind is a common memory of my parents' generation. When I was small, I often heard my mother speak about how she would lie down beside the ridge between rice fields to hide from air raids.

The passage of the years can never erase such memories. They remain as vivid as if they happened yesterday. But during the more than six decades that have gone by since then, mankind has stood up amid the post-war ruins and sought to establish mechanisms for mutual cooperation.

Today's European Union and the current relationship across the Taiwan Strait are both concrete models of man and women's endeavour to avoid conflict and turn confrontation into cooperation.

The EU is the most successful example of regional integration in the history of international relations. It has grown from the original 6-nation European Coal and Steel Community to today's 27-member union. And it has expanded its realm of unity from economic and trade cooperation to cooperation in the judicial, legislative and political spheres under the Treaty of Lisbon.

This evolution of the EU in its course of integration over the past fifty-some years has been a truly astounding achievement.

Just like Europe, Taiwan experienced the devastation of World War Two followed by the confrontation of the Cold War. From August 23rd to October 5th 1958, mainland China fired 475 thousand artillery shells at Taiwan's offshore island of Kinmen. Thereafter, the shelling of Kinmen from Xiamen continued right up to 1979.

Today, just three decades later, there are no more shells flying over from Xiamen to Kinmen. Instead, there are more than a thousand travelers a day journeying to and fro between the two places. Cross-strait relations have evolved from war, confrontation, and non-contact to the gradual beginnings of benign interaction. This experience bears similarity to the EU's, but also has its unique distinctions.

Since taking office on May 20, 2008, President Ma has maintained a pragmatic stance toward cross-strait relations. Acting under the principle of "putting Taiwan first for the benefit of the people," and advocating "no unification, no independence, and no use of force," he has actively pursued the establishment of a new model of interaction between Taiwan and mainland China. On this basis, he has opened a new chapter of peaceful stability and co-prospering co-existence in the history of our region. This is the primary achievement of the mainland policy conducted by the ROC government under President Ma's leadership.

2. Dialogue and negotiation are key to the building of lasting peace across the Taiwan Strait

Since May 2008, the ROC government has done its utmost to become a responsible stakeholder in the Asia-Pacific region. We have striven to be a peacemaker, working actively to replace confrontation with negotiation, to avert conflict with conciliation, and to become a key force of concord-building in the East Asian region. The kernel of this key force is the opening of cross-strait dialogue and negotiation.

When Robert Schuman, the first President of the European Parliamentary Assembly, delivered the Schuman Declaration proposing the formation of a European Coal and Steel Community, he opened his speech with the famous pronouncement that:

"World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it."

This is exactly how the ROC government has acted in face of the situation in the Taiwan Strait.

In the first few years of the 21st century, the two sides of the Taiwan Strait came close to the brink of war. Since President Ma took office the year before last, the two sides have recognized that the issues between them cannot be resolved by confrontation and conflict. Instead, both sides have set their minds to improving cross-strait relations.

Through joint effort on both sides, and with mutual exhibition of goodwill, we have restored the institutionalized negotiations that had been cut off for a decade. That is the pragmatic means by which we have transformed the threat of war into a turning point in cross-strait relations.

Under the situation that neither side recognizes the other's governing authority, we have developed a rather creative means for government officials from Taiwan and mainland China to sit down together and engage in direct dialogue and negotiation. This is achieved through the mechanism of institutionalized talks between Taiwan's Straits Exchange Foundation (SEF) and the mainland's Association for Relations Across the Taiwan Strait (ARATS).

During the past two and a quarter years, the ROC government has held five rounds of high-level talks with mainland China, resulting in the signing of 14 cross-strait agreements. At the latest round of talks, on June 29 this year, we signed the Cross-Strait Economic Cooperation Framework Agreement (ECFA) and the Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation.

These achievements have created a cooperative relationship that is mutually beneficial to both sides of the Taiwan Strait. They have alleviated the longstanding tensions of the past standoff across the strait, and opened unprecedented new horizons for cross-strait relations. They have also enhanced the prospects for building up regional concord and prosperity in East Asia.

Over the past two years, the Mainland Affairs Council has commissioned numerous public opinion surveys by academic institutions, to sound out public views on the conduct and results of cross-strait negotiations. These polls have shown a positive assessment by a large majority of Taiwan's people, with nearly 80 percent of Taiwanese expressing support for solving the problems of cross-strait contact through institutionalized negotiations.

Acting under the framework of the ROC constitution, our government adheres firmly to the cross-strait status quo of "no unification, no independence, and no use of force." We also insist on conducting cross-strait exchanges and interaction in accordance with "the 1992 Consensus", on a footing of "equality and dignity," and under the principle of "putting Taiwan first for the benefit of the people."

The institutionalized negotiations are only a starting point. Cross-strait relations will surely continue to move forward.

Since Taiwan is a democratic society, the direction and cadence of the development of cross-strait relations must depend on the support of public opinion. The needs of the 23 million Taiwanese people are the compass for the development of cross-strait relations.

At present, the mainstream wish of the Taiwanese people is for "the maintenance of the status quo." All of the public opinion surveys commissioned by the Mainland

Affairs Council in the past two years show that close to 90 percent of the Taiwanese people support maintaining the status quo.

This “status quo” is that the Republic of China is a sovereign and independent country. This is an established fact. It is also the consensus of the majority in Taiwan’s society.

We will maintain the status quo by adhering to the “three noes” principle of “no unification, no independence and no use of force.” Against this background, Taiwan’s future will be only decided by the democratically and freely exercised choice of its 23 million citizens.

Hence, our government is taking steady and orderly steps to promote the advancement of cross-strait relations in accordance with established goals.

As I have repeatedly stated in other forums: The current priorities of cross-strait negotiation are issues concerning economic and trade dealings and the welfare of our people. The environment and conditions are not yet ripe for addressing political and military issues. Before we can address such matters, we need first to establish consensus on them within Taiwan, and the public still need to attain understanding of the issues concerned.

3. Prosperity: ECFA attains our strategic goal of “deeply cultivating Taiwan and positioning globally”

Mainland China’s launch of its reform and opening policy set it off on a course of rapid economic growth, and its global economic ranking has bounded up since the turn of the century. According to the latest trade figures issued by Germany’s Federal Statistical Office (Destatis) in January, China has already overtaken Germany to become the world’s largest exporter.

After Japan’s Ministry of Economy, Trade and Industry had projected that China’s GDP could overtake Japan’s this year, the mainland China’s central bank pronounced in July that it had already done so, making the mainland economy the second-largest in the world. Also in July, a report by the UK’s National Institute of Economic and Social Research (NIESR) projected that China’s GDP would overtake US GDP in 2019, while the World Bank and Deutsche Bank have forecast this to happen in 2020.

Although mainland China’s internal economic development still has many problems, its rapidly rising economic might is definitely an important factor influencing the trends of global economic development.

Since Taiwan sits so close to the mainland, we are the first to feel the progression and effects of mainland China’s economic development. Moreover, cross-strait economic and trade ties are already very close.

In view of these circumstances, we consider that our interests are best served by tapping into the opportunities presented by mainland China’s economic rise, and

creating an environment that is favorable to the global deployment of Taiwan's enterprises. This can help us enhance our international competitiveness, and achieve our national sustainable development goals.

ECFA is an important catalyst of Taiwan's economic globalization development strategy. When the two sides of the Taiwan Strait concluded the signing of ECFA on June 29 this year, many countries around the world hastened to express their welcoming and approval of this step. It is evident that this agreement carries import not only for its two signatories, but has also drawn attention in economies and markets around the world.

I believe that ECFA will generate both internal and external benefits for Taiwan. On the internal side, it will create a new wave of industrial propulsion for Taiwan's economic development; and on the external side, it will have a chain effect in spurring interaction between Taiwan and the international economy.

From the perspective of regional economic integration, we know it is likely that an extensive free trade area will be established in Asia before 2020. I believe that, after ECFA goes into effect, Taiwan's economy will become more internationally aligned. Our government will take advantage of ECFA to strive to expand the space for development of Taiwan's industries and enterprises, to draw more foreign investment to Taiwan, and to actively negotiate FTAs with other countries. This will enable Taiwan to pursue an all-round economic development strategy for achieving timely inclusion in regional economic integration.

Already, on August 5, Taiwan jointly announced with Singapore that we are entering discussions on signing an economic cooperation agreement. In the future, Taiwan will work step by step toward opening up further economic and trade interaction with our trade partners.

I am especially grateful to the EP-Taiwan Friendship Group for issuing a statement, at the end of June, in support of Taiwan's signing of ECFA, and for giving its stamp of approval to the improvement of cross-strait relations and strengthening cross-strait economic cooperation. I also warmly appreciate your support for the EU and Taiwan to negotiate and sign trade enhancement measures (TEM), and your call for Taiwan passport holders to be granted visa-free entry to Schengen countries as early as possible. These are very wise proposals.

4. Democracy: The positive influence of Taiwan values on the development of cross-strait relations and regional concord

The idea of democracy that originated in Europe was one of the great enlightenments in the history of human civilization. Last year, the European Parliament published a book entitled *Building Parliament: 50 Years of European Parliament History 1958~2008*, in which I found the following passage:

"Europe was not initially created with democracy in mind. Yet Europe today is

realistic only if it espouses the canons of democracy. In other words, political realism in our era means building a new utopia, that of a supranational or post-national democracy, while for two centuries the DNA of democracy has been its realisation within the nation-state.”

My dear friends, I paid around 30 euros to buy this book from you. I thought that was a little bit expensive, and that this book should be sold at a lower price to make it affordable to a wider readership. But the content of this book, especially the vision expressed in that passage, is a priceless treasure. Truly, without democracy, there would not be a European Union.

For many years, the EU has tried to use its China policy to extend the influence of democracy to mainland China, on political, economic, social, military, and human rights issues. I believe that these efforts have also been helpful to promoting lasting peace in cross-strait relations. And they exactly match one of the aims of the ROC's mainland policy.

As I quoted from your book: “Europe was not initially created with democracy in mind.” However, when the Republic of China was founded 99 years ago, it embraced the aims of democracy and freedom from the outset. Our founding fathers' goal was to establish Asia's first democratic republic. Today, this democratic ideal has been put into practice concretely and taken root deeply in Taiwan.

Not long after taking office, at a meeting with US Congresswoman Jean Schmidt on May 29 2008, President Ma remarked that the outcome of the 2008 presidential election was the first time in a Chinese society that the party in power had changed twice. He said this was a rare achievement, and he was confident Taiwan's successful democratic experience would serve as an example for other nations.

In England, a long and rocky half millennium passed between King John's signing of the Magna Carta in 1215 and King William III's enactment of the Bill of Rights in 1689. For the ROC, too, the course of democratization in Taiwan over the past 60 years has not been all smooth sailing on calm seas.

Like every country in the world, we have suffered historic wounds that even today are hard to heal. Political incidents in Taiwan's past took away the freedom, the health, and even the lives of many people, and fractured many families. The grievances created by these tragic events have haunted our society.

After the lifting of martial law in Taiwan in 1987, the government spent a very long time, and put great resolve and sincerity into, making apologies, enacting compensation laws, and restoring reputations, to salve these wounds of history and promote reconciliation in our society.

This process of striving to put into practice transitional justice and the legal enshrinement of human rights was a keystone in the democratic development of the ROC. It formed the foundation that enabled the second peaceful transfer of political

power in Taiwan. It holds positive significance and reference value not just for Taiwan, but for all Chinese people, and for other countries too.

The essence of democracy does not, of course, consist only of competing for political power, but extends to everyone's participation in political power, and even to the establishment of a fair and just society.

When mainland China's premier Wen Jiabao was interviewed by the Financial Times and spoke about the future reform of China's political system, he mentioned the need to "better ensure people's rights to democratic election, democratic decision making, democratic management, and democratic supervision."

On August 20 this year, when speaking about the 30-year development of the Shenzhen Special Economic Zone, he further remarked that: "We not only need to carry out reform of the economic system, but also need to carry out reform of the political system. Without the safeguard of reform of the political system, the fruits of our reform of the economic system will all be lost. ... We need to guarantee the people's democratic rights. ... We need to take an institutional approach to solving the problem of over-concentration of power and the lack of restraints on its exercise, by creating conditions that enable the people to criticize and supervise the government."

My friends, although reform cannot be achieved at one stroke, we hope mainland China will be resolute in the pursuit of reform. Taiwan's experience of democratization tells us that the path of reform is always circuitous, but as long as one stays close to the will of the people, and always keeps the people's welfare in mind, the fruits of reform can be counted on.

It is a source of pride to us that Taiwan's democratization was carried out without any bloodshed or turmoil, and without any military coup. We believe that our democratic experience holds universal value, and is worthy of reference by people everywhere in the world.

I would like to quote what President Ma said in an interview by Japan's Yomiuri Shimbun newspaper on June 5, 2008. When asked by the reporter about what kind of role Taiwan should play in China's democratization process, President Ma replied: "The best role Taiwan can play is what it is doing now in expanding its contacts with mainland China. The vote-counting process in our March 22 presidential election could be watched by our mainland compatriots in their living-rooms. This was unprecedented. Not long after the counting began, posts and replies about the election began to appear on mainland websites. This was also unprecedented. So there actually is no need to take any particular action. In the natural course of events, the mainland people will be able to make their own evaluations. I think this is also a very important asset of Taiwan's. We do not need to give instruction to the mainland, telling them to do this and do that. I think this is the best way."

President Ma's words clearly demonstrate how, in the course of cross-strait contacts,

democracy is Taiwan's asset and our most precious soft power. Hence, Taiwan does not fear to deal with mainland China.

Moreover, during the past two years, mainland Chinese have made more than two million visits to Taiwan, for various purposes including tourism. And from early next year, mainland Chinese will be able to come to Taiwan to study in university and graduate school. The impressions that these visitors take back from Taiwan will surely have some influence in shaping thinking in mainland China.

At the same time, we also consider that the restoration of institutionalized cross-strait talks provides mainland China with a practice field for peaceful development, and gives Taiwan the chance to make a contribution to lasting peace in the Taiwan Strait.

Mainland China has made a commitment to the world that China's rise will be peaceful. Taiwan can take its experience of engaging in institutionalized talks with mainland China over the last two years, and say to the world: We place expectation in this commitment.

Here, I would like to state two things to you. In the process of developing relations with mainland China, Taiwan will fully reflect the core values of democratic countries in the international community. We will also give mainland China a deeper understanding of Taiwan's system of democratic pluralism and its mode of operation. This level of perception will be beneficial to the development of cross-strait relations and the consolidation of regional concord.

5. Outlook for the future

Although the EU model may not be applicable to the cross-strait situation, Taiwan has long paid close attention to the deepening and widening of the EU integration process. And we have drawn a lot of inspiration from the EU's experience in the development of consensual decisions on foreign, security, and other policies after the signing of the Lisbon Treaty.

Within Taiwan, the development of cross-strait relations is still a subject of much contention. And within the EU, there are still many fundamental differences and divisions regarding the progress of integration.

But Taiwan and the EU have many values and ideals in common, while our core values trace an identical line of development. I am sure it would be very fruitful if we could establish channels for policy dialogue and diverse exchanges between Taiwan and the EU or the European Parliament, and join efforts to promote the benefits of democracy and freedom.

At this stage, our continuing dialogue with mainland China serves to promote peace and stability in the East Asian region. This matches the common interests of both sides of the strait, the European Union, and the international community at large, and has received unanimous approval.

The Taiwanese people are highly supportive of our government's policy of promoting cross-strait peace, and we feel optimistic about the future development of cross-strait relations.

The knotty issues between the two sides of the Taiwan Strait cannot be resolved within a short time. Nonetheless, our government will continue to interact with the mainland in an active and steady manner. We also applaud the goodwill and effort displayed by mainland China during the past two years and more.

Both sides of the Strait are trying to address and solve problems with mutual tolerance and understanding, to pave the way toward the ultimate goal of securing perpetual peace in the Taiwan Strait.

Ladies and gentlemen, thank you very much for your attention. Now I will be very glad to hear your opinions and instruction.

Taiwan's Mainland Policy: Borrowing the Opponent's Force and Using it as One's Own – Turning the Threat of War into Peace and Prosperity

Date: Aug 5, 2010

American Enterprise Institute Speech

Lai Shin-yuan

Minister of the Mainland Affairs Council, Executive Yuan

Dr. Gary Schmitt, distinguished guests:

Good morning!

I would like to thank the American Enterprise Institute for inviting me here and giving me the chance to join this meeting of distinguished scholars and experts. It is a very special honor for me.

The purpose of my speech today is to highlight the main significance of recent developments in cross-strait relations. I will cover four aspects of this, namely: cross-strait negotiations; the cross-strait Economic Cooperation Framework Agreement (ECFA); the relationship of Taiwan's soft power with cross-strait relations; and political and military issues of cross-strait relations.

1. Conducting cross-strait negotiations, to establish lasting peace and stability in cross-strait relations

First, let me briefly describe what the government of the Republic of China's mainland policy has achieved in the past two years.

Since May 20, 2008, under President Ma's leadership, the ROC's mainland policy has sought to calm the previously angry waves and turbulent billows of the Taiwan Strait. In the language of popular music, we inherited a situation of "Dire Straits", and have been building a "*Bridge Over Troubled Water*".

During these two years, we have been striving to tear down the walls of hostility that had been built across the Taiwan Strait over a long period. Step by step, we have carried out an arduous mission that could not have been accomplished in the past. By opening negotiation and dialogue, we have turned the formerly tense situation of cross-strait relations into a driving force for the national development of the Republic of China. We have made cross-strait relations into a vital force for building peace and harmony in the Taiwan Strait and the Asia-Pacific region.

The government of the Republic of China's basic position has been to pursue cross-strait exchanges and interaction under maintenance of the status quo, with strict adherence to the mantra of "no unification, no independence, and no use of force." We have advocated that both sides should put aside political disputes, and conduct negotiations in a pragmatic frame of thinking. We have insisted that negotiations be

conducted on a footing of equality and dignity. And we have always acted under the principle of “putting Taiwan first for the benefit of the people.”

On this basis, we have held five rounds of high-level talks with mainland China, at which 14 cross-strait agreements have been concluded. The coverage of these agreements includes tourism, direct flights and shipping, postal services, food safety, finance, crime-fighting, fishery affairs, agricultural product inspection and quarantine, and product standards, metrology, testing and certification. At the 5th round of talks, on June 29 this year, we signed the Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation, and, most importantly, ECFA.

The results of these negotiations have alleviated the tense standoff that formerly marked cross-strait relations. They have generated cooperative ties that are beneficial to both sides. They have opened a historic new era of unprecedented positiveness in cross-strait relations. And by all of this, they have underpinned the prospects for peace and stability in the Asia-Pacific region.

The Mainland Affairs Council of Taiwan regularly commissions academic institutions to conduct public opinion surveys. Over the past two years, these surveys have shown a consistently high level of public support for institutionalized cross-strait negotiations. In poll after poll, we have seen close to 70 percent of Taiwanese approving of this as a means of solving problems arising from cross-strait connections. And in the latest survey, conducted last month, the public support for this was even more apparent, with 79.3 percent of the people expressing approval.

The public have also expressed high satisfaction with individual agreements. The signing of the IPR agreement was given an approval rating of 73.1 percent; the signing of ECFA was endorsed by 61.1 percent. These figures demonstrate that Taiwan government’s policy on the Mainland has earned wide approval from Taiwanese public opinion.

2. ECFA’s key importance to the further globalization of Taiwan’s economy

In this next part of my address, I will talk about ECFA. ECFA is the most important outcome of the cross-strait negotiations pursued by President Ma’s administration. It is also the cross-strait agreement that has received the most attention and discussion in international media.

ECFA was formally signed by the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Strait (ARATS) on June 29 of this year. It has been widely welcomed around the world, with the United States, Japan, the EU, Germany, France, Singapore, New Zealand, Thailand etc., and WTO director-general Pascal Lamy among those expressing approval.

The signing of this agreement is a major step in the development of cross-strait relations. It provides a basic framework for establishing orderly interaction in cross-strait economic and trade affairs. There are three key aspects of ECFA that I

would like to highlight for you:

(1) Firstly, ECFA possesses great significance for promoting the systemization of cross-strait economic and trade affairs and the globalization of Taiwan's economy.

Taiwan is America's 9th-largest trade partner and the world's 17th-largest exporter. Globalization of Taiwan's economy is vitally important for maintaining its competitiveness. But in the first eight years of the 21st century, Taiwan faced great difficulties on this front.

Firstly, the high level of hostility in cross-strait relations precluded the creation of institutional safeguards for cross-strait economic and trade activity. This increased the risks and costs for Taiwanese businesses, foreign businesses and foreign investors operating between the two sides of the Taiwan Strait.

Secondly, since other countries paid close heed to mainland China's attitude, they shut Taiwan out when they actively pursued regional economic integration, and Taiwan was increasingly isolated.

But now ECFA has cemented a fundamental change in this situation. We believe that ECFA will bring greater stability and greater predictability to cross-strait economic and trade activity. It is a vital starting point for the Republic of China to set forth again on the path of economic globalization.

Let me put this in the context of the worldwide march toward regional economic integration. By 2020, it is highly likely that an extensive free trade area will have been established in the Asian region. ECFA will enable Taiwan to push forward with the international alignment of Taiwan's economy. It will enable Taiwan to gain inclusion in regional economic integration. It will enable Taiwan to avoid being marginalized, and to keep a place in global industrial chains. This situation will be beneficial not only to Taiwan, but to all of our economic partners, too. American firms will be able to gain great advantage from it for their investment positioning in Asia.

(2) Secondly, ECFA will help Taiwan maintain its economic autonomy in the process of regional economic integration

There is a huge gulf in size between the economies on the two sides of the Taiwan Strait. Taiwan must have a safety valve to prevent excessive impact on domestic industries, with the social problems that could cause. Hence, when we negotiate ECFA, we insist on putting the words "taking into account each party's economic conditions" in the preamble, to serve as a safety valve for Taiwan's interests.

One of the concrete meanings of "taking into account each party's economic conditions" is that, when ECFA is put into effect, consideration must be given to the special nature of cross-strait relations and the differences between the economic scale and industrial development conditions on either side of the Strait. This is to ensure

that Taiwan's sensitive, vulnerable industries are not severely impacted.

“Taking into account each party's economic conditions” also means that our government can take account of actual conditions in reducing or eliminating barriers to cross-strait trade and investment. We can carry this out gradually, in cautious, carefully sequenced steps, to create a fair environment for trade and investment.

(3) Thirdly, ECFA's early harvest program is an outcome of trade negotiations conducted in accordance with the principle of proportionality

The day before the signing of ECFA, the Wall Street Journal carried an editorial about it entitled “Taiwan's Trade Harvest.” This was an accurate title, and an excellent choice of words. Taiwan certainly will be a beneficiary of ECFA.

Under ECFA's early harvest program, Taiwan will gain greater benefit from early tariff reductions than mainland China. The list of items on which mainland China will drop its tariffs for Taiwan is twice as long as Taiwan's corresponding list. Moreover, the application of these reductions to each side's cross-strait exports will give Taiwan 4.8 times greater benefit, applying to export shipments worth US\$13.8 billion versus imports worth US\$2.9 billion.

This fairly reflects the current balance of trade across the Taiwan Strait, with Taiwan exporting roughly four times as much to mainland China as mainland China exports to Taiwan. Hence, it cannot be regarded as mainland China “granting favors” to Taiwan or any such thing. It is simply and evidently the outcome of trade negotiations conducted in accordance with the principle of proportionality.

In summary, ECFA has brought Taiwan back into the eyes of the world. It has refocused international attention on Taiwan's economic importance, and on its credentials for becoming a regional economic and trade hub. In addition, we have designed a safety valve that greatly reduces potential shocks to our society from the process of regional economic integration. From Taiwan's perspective, to borrow a phrase from domestic baseball, ECFA is a “combined achievement of offence-defense” agreement that provides for offensive and defensive needs equally well.

3. Taiwan's soft power versus the Mainland's rise

Next, I will say something about Taiwan's soft power in its relationship to cross-strait relations. Soft power is Taiwan's most precious asset for facing the trend of regional economic integration. It is also a very important bargaining chip when we conduct cross-strait negotiations.

According to a report by IHS Global Insight, America's 110-year reign as the world leader in manufacturing output could be lost to mainland China as early as next year. Mainland China's economic rise is an undeniable fact. While there are still countries that do not know how to respond to it, some may ask how Taiwan dares to sign an

agreement like ECFA. Considering the massive gulf in size between the two sides' economies, what are Taiwan's calculations in making this agreement?

In particular, given mainland China's unwavering political goal of unification, is the daring move of Taiwan a case of what the old Chinese saying calls "asking a tiger for its skin?" Is it a highly dangerous move?

My answer is: "Of course not!" The negotiation and signing of ECFA is not at all a dangerous move. On the contrary, it is a measure for reducing danger.

During the past two years, every action taken by Taiwan to improve cross-strait relations has been a step toward turning the threat of war into peace and prosperity. It is one of the most successful examples of this strategy in modern history.

If we look back over the history of mankind, we can see that many capitalist countries used to pursue trade expansion by exerting the power of their ships and guns to break down trade barriers. Many countries came into confrontation and resorted to arms because of tariff walls. It was these painful lessons that prompted the formation of GATT after World War Two, as a means of replacing confrontation with negotiation. Later, after GATT's transformation into the WTO, the trend of regional economic integration took hold around the world, and free trade agreements (FTAs) came into proliferation.

That path from GATT to today's spreading web of FTAs is a chronicle of mankind's efforts over the past sixty years to avoid mercantilism-triggered war. Taiwan's pursuit of institutionalized cross-strait negotiations, and its signing of ECFA and other agreements with mainland China, far from being a highly dangerous move, is in fact one of the most successful models of replacing confrontation with negotiation since the formation of GATT.

The signing of ECFA and other agreements with Taiwan has given mainland China an opportunity to show its positive face to the world. It has enabled Beijing to choose this regulated and orderly path of economic and trade systemization instead of using force to deal with the Taiwan Strait question. Taiwan has furnished the linchpin for turning the threat of war into peace and prosperity. President Ma's Mainland policy is one of the finest blessings bestowed by the Chinese people on the whole of mankind in modern history.

What are Taiwan's bargaining chips in negotiations with mainland China? For a start, there is the major role Taiwan plays in mainland China's economy. The statistics speak for themselves: Taiwanese businesses have invested more than US\$200 billion in mainland China; cross-strait trade is worth more than US\$100 billion a year; and Taiwanese businesses employ more than 14 million workers in mainland China.

Besides this direct input into mainland China's economic well-being, Taiwan's role in the global economy is also a strong bargaining chip. Taiwan is the world's 17th-largest exporter. We have a well established position and networks in markets

worldwide. These are valuable counters for us at the negotiating table.

And then there is Taiwan's status as a democratic nation. The workings of democracy mean that our government policy must be rooted in the will of the people. The will of the people is another important bargaining chip in Taiwan's negotiations with mainland China.

Taiwan is drawing on all of these advantages to rationally respond to mainland China's rise. We are also using these advantages to secure the most favorable negotiating outcomes for Taiwan, and at the same time to maintain Taiwan's autonomy.

Taiwan is not "asking a tiger for its skin." A more appropriate analogy can be taken from a tactic in the martial art of taiqiquan: "borrowing the opponent's force and using it as one's own," which is also sometimes rendered in English as "using four ounces to deflect a thousand pounds." That is how we are using wisdom to face up to mainland China's rising power, drawing on its influence in the global division of labor to provide assisting force for Taiwan's connection with global markets.

The fact that mainland China's rise cannot be ignored gives Taiwan all the more importance in the global scheme of affairs. A few of our American friends seem to think that, because the situation in the Taiwan Strait is no longer tense, Taiwan's status in US foreign policy is less important than before. I do not agree with this point of view. This kind of thinking is a throwback to a Cold War mindset.

In the past, Taiwan was called an "unsinkable aircraft carrier." That was because, in the days when the world was divided into capitalist and communist camps, each shut off from the other, Taiwan's geographic location put it in the front line of the capitalist world's face-off with mainland China. But after the disintegration of the communist camp and mainland China's launch of its reform and opening-up policy, Taiwan took on a completely different role.

Since the late 1980s, Taiwan's capital, business people, technologies, and specialist personnel have played a significant part in mainland China's economic rise. Taiwanese enterprises have taken their experience and well-honed know-how in global division-of-labor systems to mainland China. They have also contributed their good reputation, built up over many years of operating in global markets, to mainland China. These vital inputs from Taiwan have enabled mainland China to develop trade with other countries relatively smoothly. They have also been a key factor in mainland China emergence as the so-called "workshop of the world."

The process of mainland China's economic rise has in some respects repeated the Taiwan experience. This is the manifestation of Taiwan's soft power. The participation of Taiwanese capital, business people, technology, and specialist personnel in mainland China's economic transformation has amplified Taiwan's influence within mainland China. It has also spurred a metamorphosis of the economic and trade realm

in mainland China.

The Taiwan experience has hitherto served as one of the key factors in the transformation of mainland China's economy and trade, and this role is set to continue in the future. Moreover, with the expansion and deepening of cross-strait contacts in the social, cultural and other spheres, the influence of the Taiwan experience in mainland China will not be limited only to the realm of economy and trade. The United States should attach importance to such influence, and further strengthen relations with Taiwan to support its positive effects.

Let me cite one example, as a concrete illustration of this idea. While American companies were angrily hurling accusations and complaints about IPR issues at China, this June Taiwan signed an agreement with mainland China that can give concrete IPR protection to our businesses. But more than this, I also noted that, in the process leading up to the signing of IPR agreement, mainland China dispatched no fewer than ten expert groups, including groups of academics, judges, and private specialists, to visit Taiwan's IPR court. This is a significant manifestation of Taiwan's soft power. It is also a demonstration of Taiwan's influence in mainland China.

This presently unfolding aspect of the Taiwan experience is worthy of note by the Western world, led by the United States, as it learns how to do business with mainland China. US-led Western capitalism and mainland China's state capitalism are competing in world markets, and Taiwan is in a prime position to benefit from this situation. Located on the western boundary of the Pacific Rim economic zone, facing the collision and contest between these two powerful forces, we are adept at picking what we need from both forces to augment Taiwan's advantages.

This year, Taiwan's economic recovery has been the strongest in the world. This is mainly thanks to the correctness of our Mainland policy, which has enabled us to provide the right basic conditions for leveraging the effects of Taiwan's soft power. At the same time, we have also benefited from the support of the United States and other allies, which has enabled Taiwan to face mainland China tall and unwaveringly.

In face of mainland China's economic rise, countries around the world need Taiwan to play this linchpin role. Conversely, Taiwan needs the support of its international friends, to ensure that it can continue to exert its influence on mainland China to best effect.

The ROC government has repeatedly requested the United States to continue and step up its arms sales to Taiwan. We have also contended against the US conferring with mainland China about such arms sales. Our purpose in making arms purchases is to bolster Taiwan's self-defense capabilities. This is essential for giving us the confidence and conditions Taiwan needs for dealing and negotiating with mainland China.

4. Mainland China must forsake the thinking of using military force as a means

of resolving cross-strait differences

This brings me to the fourth and final focal area of this speech: political and military aspects of cross-strait relations.

Here, I wish to state emphatically that mainland China must forsake the thinking of using military force as a means of resolving cross-strait differences. I have openly stressed many times before in other forums, and will stress it again here today: At present, the timing and conditions are still not ripe for the two sides of the Taiwan Strait to embark on political and military talks. A sense of urgency on one side alone cannot be sufficient reason for demanding the other side to meet its subjective expectations.

I will say again what I have said before: “Cadence and direction” are very important. What Taiwan’s 23 million people need is a compass for the development of cross-strait relations. We will act in accordance with our established objectives in pursuing stable and orderly progress in cross-strait relations.

I also must emphasize that the Republic of China is a sovereign and independent country. This is an established fact, which mainland China cannot deny. If cross-strait relations are to develop further, the Mainland will need to understand and face up to this fact. Most of all, mainland China will need to respect this fact!

Taiwan has four primary strategic objectives: First, to preserve our free and democratic system; second, to maintain the current state of peace and stability; third, to expand our participation in the international community; and fourth, to make our country safer and more prosperous. The Republic of China is a highly democratic sovereign nation. Taiwan’s future will certainly be decided by the democratic, freely exercised choices of its 23 million citizens. It cannot be decided unilaterally by mainland China.

Even though cross-strait relations have greatly improved, they are still heavily impeded by two factors. First, mainland China is still continuing to expand its military deployment against Taiwan. And second, the Mainland authorities are still not willing to change the policy and law that sanction the use of force against Taiwan. These are the obstacles to the development of cross-strait relations, and they need to be eliminated. Mainland China must change its thinking and adjust its policy. Only thus will the way be open for the two sides in the future to establish full confidence in each other. And only thus will the way be open for the achievement of true peace.

5. Conclusion: The outlook and challenges

In conclusion, I would like to point out that, though opportunity has now arisen for cross-strait relations to develop peacefully and stably, the train of ensuing challenges has only just begun. This is a task that both sides must address in concert.

Despite the closeness of contacts and dealings now taking place across the Taiwan

Strait, there are still many different views within Taiwan about the development of cross-strait relations. This is a legacy of the acute confrontation and hostility that prevailed across the Strait in the past.

Our government has a responsibility to face up to and tolerate differences of opinion within our society. We strongly support that the government should continue to adhere to a high level of transparency in handling important cross-strait issues and conducting cross-strait policy. We need to initiate better communication and discussion of views, set up opinion spaces and platforms for public discussion, and take on board all shades of opinion within society. These can help us reduce contention and resistance, and boost the building of social consensus.

Let me close with an appeal to the American government. The US is a longstanding ally of the Republic of China. Our two countries should enhance substantive and effective official-to-official policy dialogue concerning the development of cross-strait relations and regional security issues. We need to work together to promote democracy, freedom, security and prosperity, and to propel cross-strait relations toward a new realm of true peace with reconciliation.

Ladies and gentlemen, thank you for your kind attention. As you are all experts in cross-strait affairs, I attach a lot of value to your feedback and advice. I look forward now to hearing your views and comments on what I have told you here today and the matters I have referred to.

Taiwan's Public Opinion

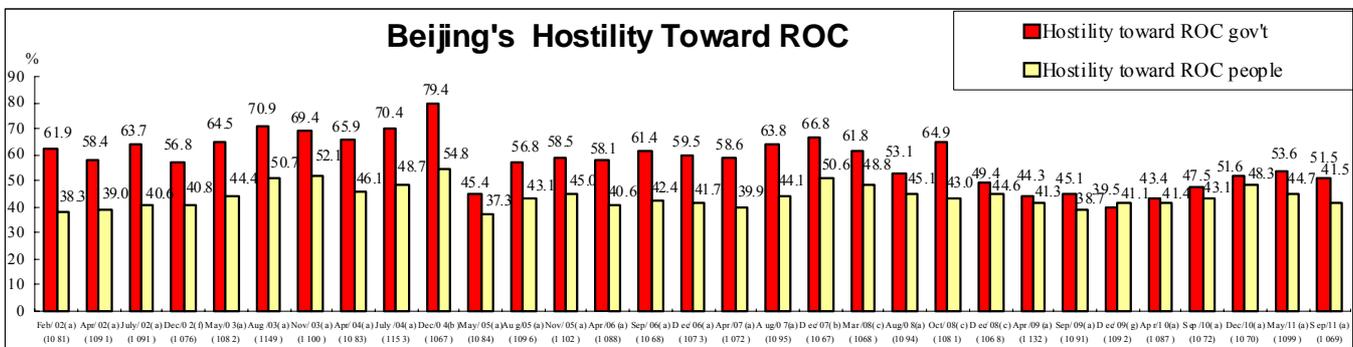
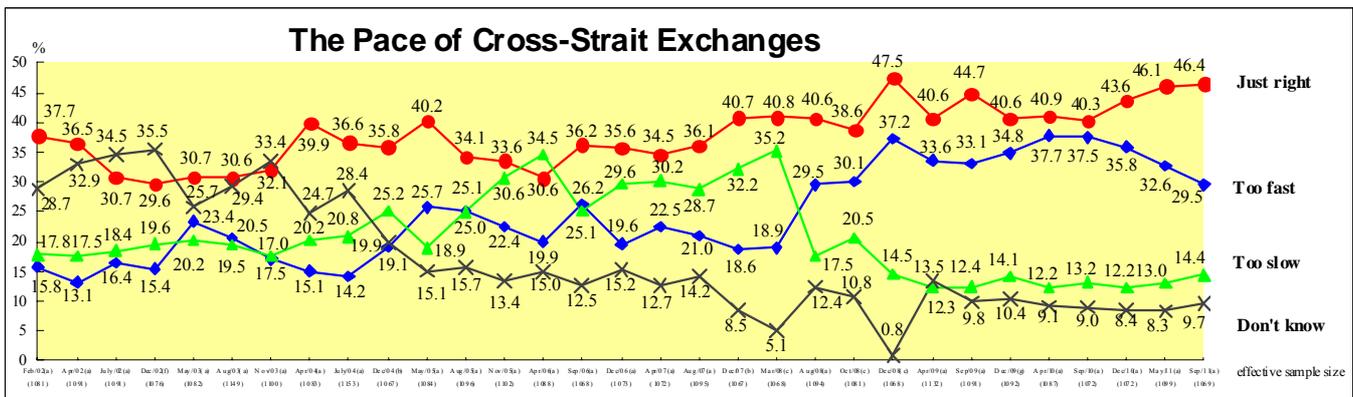
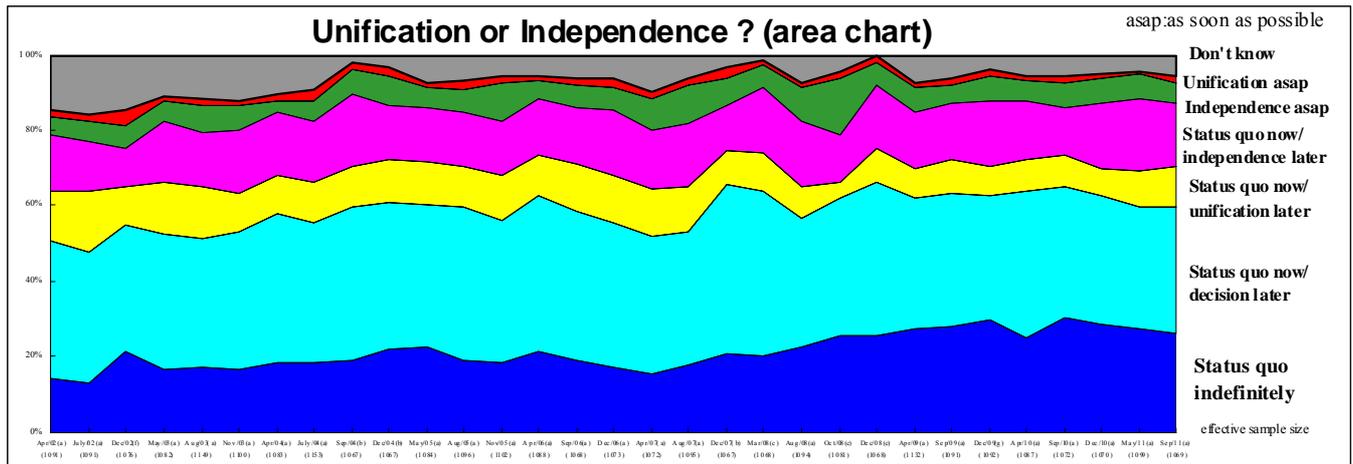
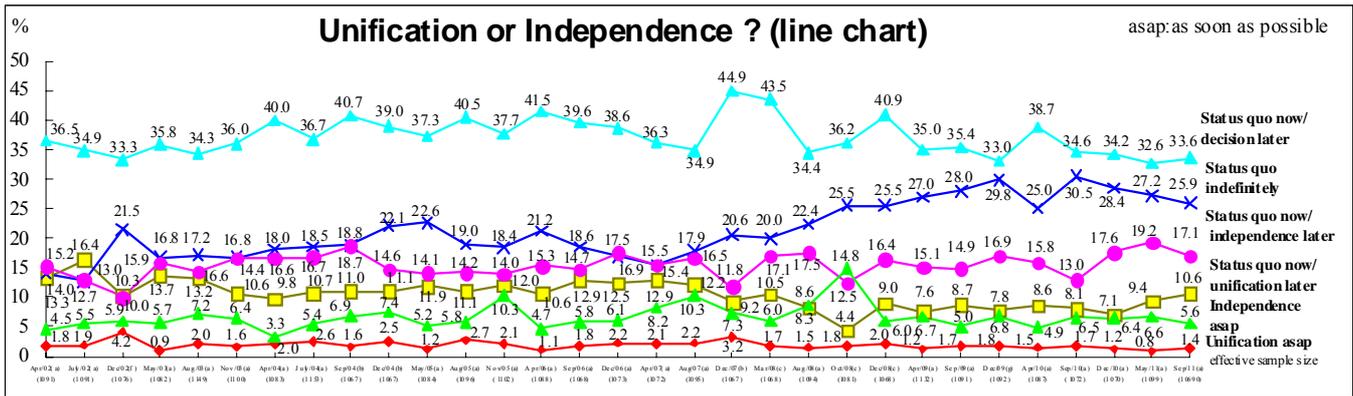
Public Opinion on Cross-Strait Relations in the Republic of China

Mainland Affairs Council, Executive Yuan, Republic of China, Sep. 2011

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WWW URL : www.mac.gov.tw



Survey conducted by: (a)Election Study Center, National Chengchi University, Taipei (886-2-29387134)
 (b)Burke Marketing Research, Ltd., Taipei (886-2-25181088) (c)China Credit Information Service, Ltd., Taipei (886-2-87683266)
 (d)Center for Public Opinion and Election Studies, National Sun Yat-Sen University, Kaohsiung (886-7-5252000)
 (e)Survey and Opinion Research Group, Dept. of Political Science, National Chung-cheng University, Chiayi (886-5-2720411)
 (f)e-Society Research Group, Taipei (886-2-27213658) (g)Center for Public Opinion and Public Policy, Taipei Municipal University of Education, Taipei (886-2-23113040)
 Respondents: Taiwanese adults aged 20-69 accessible to telephone interviewers

Summarized Results of the Public Opinion Survey on the “Public’s View on Current Cross-Strait Relations”

Date: Sep. 2 to 5, 2011

- Nearly 80 percent of the public support the continued handling of cross-strait exchange issues through institutionalized negotiations.
- As high as 74.8 percent of the public support the government’s policy of maintaining the status quo in the Taiwan Strait under the principle of “no unification, no independence, and no use of force.”
- 49.4 percent of the public identify with the government’s position on the “1992 Consensus”, and 48.4 percent of the public agree with basing institutionalized cross-strait negotiations on the “the 1992 Consensus — one China with respective interpretations.”
- Over 55 percent of the public believe that cross-strait relations have become more relaxed under the Ma Administration.
- The overwhelming majority of the public (87.2 percent) still supports maintaining the status quo defined in a broader sense (including “Maintaining the status quo and deciding on independence or unification later,” “Maintaining the status quo and unification later,” “Maintaining the status quo and independence later,” and “Maintaining the status quo indefinitely”).

I. Survey Background and Methods

To understand the Taiwan people’s views on issues related to cross-strait relations, the MAC commissioned the Election Study Center of National Chengchi University to conduct a telephone survey of adults aged 20 and over in the Taiwan Area from September 2 to 5, 2011. A total of 1,069 effective samples were collected, with a sampling error of 3 percent based on a 95 percent confidence level.

II. Major Findings

(1) Views on institutionalized cross-strait negotiations

77.6 percent of the public support the handling of issues related to cross-strait exchanges through institutionalized negotiations, while 10.0 percent do not support this.

(2) Views on Mainland policy

As high as 74.8 percent of the public support the government in maintaining the status quo in the Taiwan Strait under the principle of “no unification, no independence, and no use of force,” while only 16.6 percent do not support this.

(3) Views on the government’s position on the “1992 Consensus”

49.4 percent of the public identify with the government's position on the "1992 Consensus — one China with respective interpretations," with "one China" meaning the Republic of China. Moreover, 48.4 percent of the public approve the government's approach of resuming institutionalized cross-strait negotiations on the basis of the "1992 Consensus — one China with respective interpretations." Furthermore, 51.7 percent of the public disagree with the statement that "the 1992 Consensus is a consensus between the Chinese Nationalist Party (KMT) and the Communist Party of China (CPC)," higher than the percentage (25.1 percent) agreeing with this formulation.

(4) Views on the pace of cross-strait exchanges

Regarding the current pace of cross-strait exchanges, 46.4 percent of the public believe the pace is "just right," while 29.5 percent believe it is "too fast" and 14.4 percent believe it is "too slow."

(5) Views on overall cross-strait relations

Over 50 percent of the public (55.2 percent) believe that cross-strait relations under the Ma Administration have become "more relaxed," higher than the percentages believing relations are "more tense" (9.0 percent) and "unchanged" (30.2 percent).

(6) Views on unification or independence

The overwhelming majority of the public (87.2 percent) supports maintaining the status quo defined in a broader sense (including "Maintaining the status quo and deciding on independence or unification later," "Maintaining the status quo and unification later," "Maintaining the status quo and independence later," and "Maintaining the status quo indefinitely"). Of the six possible positions on this issue, "Maintaining the status quo and deciding on independence or unification later" enjoys the highest level of support (33.6 percent), followed by "Maintaining the status quo indefinitely" (25.9 percent).

(7) Public perception on the attitude of the Mainland government toward Taiwan

51.5 percent of the public believe the Mainland government's attitude toward the ROC government is "unfriendly," higher than the percentage (31.2 percent) believing it is "friendly." Regarding the Mainland government's attitude toward the Taiwan people, 44.7 percent of the public believe it is friendly, while 41.5 percent believe it is unfriendly.

III. Percentage Distribution for Each Question

Survey Date: September 2 to 5, 2011

Number of Effective Samples: 1,069

Survey Commissioned by: Mainland Affairs Council, Executive Yuan

Survey Unit: Election Study Center of National Chengchi University

1. Do you believe that the mainland Chinese government's attitude toward the ROC government is friendly or unfriendly?

Extremely friendly	Friendly	Unfriendly	Extremely unfriendly	Don't know / No opinion
3.6%	28.6%	34.4%	17.1%	16.3%
31.2%		51.5%		16.3%

2. Do you believe that the mainland Chinese government's attitude toward the Taiwan people is friendly or unfriendly?

Extremely friendly	Friendly	Unfriendly	Extremely unfriendly	Don't know / No opinion
3.9%	40.8%	27.4%	14.1%	13.8%
44.7%		41.5%		13.8%

3. Do you feel that the pace of current cross-strait exchanges is too fast, too slow or just right?

Too fast	Just right	Too slow	Don't know / No opinion
29.5%	46.4%	14.4%	9.7%

4. Regarding relations between Taiwan and mainland China, there are the following different views: 1. Unification as soon as possible; 2. Independence as soon as possible; 3. Maintaining the status quo and unification later; 4. Maintaining the status quo and independence later; 5. Maintaining the status quo and deciding on independence or unification later; and 6. Maintaining the status quo indefinitely. Which of these positions do you lean toward?

Unification as soon as possible	Maintaining the status quo and unification later	Maintaining the status quo and deciding on independence or unification later	Maintaining the status quo indefinitely	Maintaining the status quo and independence later	Independence as soon as possible	Don't know / No opinion
1.4%	10.6%	33.6%	25.9%	17.1%	5.6%	5.8%
1.4%	87.2%				5.6%	5.8%

5. Overall, do you believe that cross-strait relations have become more relaxed, more tense, or have been unchanged under the Ma Administration?

More relaxed	Unchanged	More tense	Don't know / No opinion
55.2%	30.2%	9.0%	5.6%

6. Do you support or not support the continued handling of cross-strait exchange issues through institutionalized negotiations between the two sides?

Strongly support	Support	Do not support	Strongly do not support	Don't know / No opinion
19.4%	58.2%	6.1%	3.9%	12.4%
77.6%		10.0%		12.4%

7. The government's position on the "1992 Consensus" is "one China, respective interpretations," with "one China" meaning the Republic of China. Do you identify or not with this position?

Strongly identify	Identify	Do not identify	Strongly do not identify	Don't know / No opinion
14.9%	34.5%	19.4%	15.3%	15.9%
49.4%		34.7%		15.9%

8. The government has resumed institutionalized cross-strait negotiations on the foundation of the "1992 Consensus — one China with respective interpretations." Do you agree or disagree with this approach?

Strongly agree	Agree	Disagree	Strongly disagree	Don't know / No opinion
11.7%	36.7%	19.9%	13.0%	18.7%
48.4%		32.9%		18.7%

9. Some people say that the “1992 Consensus” is a “consensus between the Chinese Nationalist Party (KMT) and the Communist Party of China (CPC).” Do you agree or disagree with this statement?

Strongly agree	Agree	Disagree	Strongly disagree	Don't know / No opinion
9.5%	15.6%	30.8%	20.9%	23.2%
25.1%		51.7%		23.2%

10. Over the past three years, the government has maintained the status quo in the Taiwan Strait based on the principle of “no unification, no independence, and no use of force.” Do you support or not support this principle?

Strongly support	Support	Do not support	Strongly do not support	Don't know / No opinion
29.8%	45.0%	8.8%	7.8%	8.6%
74.8%		16.6%		8.6%

Summarized Results of the Public Opinion Survey on the Public's View on the Seventh Chiang-Chen Talks

Date: Nov. 2, 2011

Summarized Results

- Over 70 percent of the public are satisfied with the results of the negotiations on the Cross-Strait Nuclear Power Safety Cooperation Agreement.
- With regards to the Cross-Strait Investment Protection Agreement, nearly 80 percent of the public approve the government's principle that "it is better to sign a good agreement than an early one" in promoting negotiations. Moreover, 82.9 percent of the public support the government's continued negotiations with mainland China.
- Over 80 percent of the public support continued institutionalized cross-strait negotiations to resolve cross-strait exchange issues.
- The majority of the public affirms that the 16 agreements signed between the two sides through institutionalized negotiations protect Taiwan's interests (60.9 percent) and uphold national sovereignty (56.3 percent).

I. Survey Background and Methods

To understand the Taiwan people's views on the Seventh Chiang-Chen Talks, the MAC commissioned the China Credit Information Service to conduct a telephone survey of adults aged 20 and over in the Taiwan Area from October 22 to 24, 2011. A total of 1,072 effective samples were collected, with a sampling error of 2.99 percent based on a 95 percent confidence level.

II. Major Findings

(1) Views on the results of the negotiations on the Cross-Strait Nuclear Power Safety Cooperation Agreement

Regarding the signing of the Cross-Strait Nuclear Power Safety Cooperation Agreement and the negotiation results of establishing a "nuclear power safety information exchange mechanism" and an "emergency accident reporting mechanism," 71.3 percent of the public feel satisfied while 19.7 percent feel unsatisfied.

As for the specific content of the Agreement, 74.1 percent of the public believe that the reduction of nuclear plant accidents through cross-strait information and experience exchange and cooperation in this field will be conducive to the public's safety and the environmental ecology. Furthermore, 77.2 percent of the public believe that, in the event of a nuclear plant accident, the ability of the two sides to immediately notify the other side through an emergency reporting mechanism so that preventive and response measures can be adopted is conducive to protecting the life and property of the public.

(2) Views on the Cross-Strait Investment Protection Agreement

Due to the broad scope of the Cross-Strait Investment Protection Agreement, the government is proceeding with negotiations under the principle that “it is better to sign a good agreement than an early one” to strengthen protections for the rights, interests, and personal safety of the Taiwan people investing in the Mainland. This approach is approved by 78.5 percent of the public, while 17.9 percent disapprove. In addition, 82.9 percent of the public support continued negotiations between the government and mainland China on the Cross-Strait Investment Protection Agreement.

Regarding the phased results achieved on the Cross-Strait Investment Protection Agreement during this round of cross-strait talks, 71.4 percent of the public feel satisfied with this progress.

(3) Views on institutionalized cross-strait negotiations

Over 80 percent (84.8 percent) of the public support the handling of issues related to cross-strait exchanges through institutionalized negotiations, higher than the percentage (13.0 percent) not supporting this.

(4) Views on the effects on Taiwan’s interests and national sovereignty brought by the signed agreements

60.9 percent of the public believe that the 16 agreements signed through institutionalized negotiations over the past more than three years protect Taiwan’s interests, and 56.3 percent believe they uphold Taiwan’s national sovereignty.

III. Percentage Distribution for Each Question

Survey Date: October 22 to 24, 2011

Number of Effective Samples: 1,072

Survey Commissioned by: Mainland Affairs Council, Executive Yuan

Survey Unit: China Credit Information Service, Ltd.

1. The Cross-Strait Nuclear Power Safety Cooperation Agreement signed at this round of talks can reduce the occurrence of nuclear plant accidents through cross-strait information and experience exchange and cooperation in the area of nuclear power safety. Do you believe this will be conducive or unconducive to the public’s safety and the environmental ecology?

Very conducive	Slightly conducive	Somewhat unconducive	Totally unconducive	Don’t know / No opinion
35.9%	38.2%	10.1%	11.2%	4.7%
74.1%		21.3%		4.7%

2. After signing the Cross-Strait Nuclear Power Safety Cooperation Agreement, in the event of a nuclear plant accident, the two sides will be able to immediately notify the other side through an emergency reporting mechanism so that preventive and response measures can be adopted. Do you believe this is conducive or unconducive to protecting the life and property of the public?

Very conducive	Slightly conducive	Somewhat unconducive	Totally unconducive	Don't know / No opinion
39.8%	37.4%	9.4%	11.0%	2.3%
77.2%		20.4%		2.3%

3. Under the Cross-Strait Nuclear Power Safety Cooperation Agreement, the two sides will establish a “nuclear power safety information exchange mechanism” and an “emergency accident notification mechanism.” Are you satisfied or unsatisfied with this negotiation outcome?

Very satisfied	Somewhat satisfied	Slightly unsatisfied	Very unsatisfied	Don't know / No opinion
17.3%	54.0%	10.4%	9.3%	9.0%
71.3%		19.7%		9.0%

4. During this round of talks, the government and the Mainland side reached phased results on the Cross-Strait Investment Protection Agreement, including extending the protection scope to Taiwanese investment made in the Mainland via third places, a requirement that the families of Taiwanese businesspersons arrested or detained in the Mainland be notified within 24 hours, and the strengthening of commercial dispute resolution, among other issues. Do you feel satisfied or unsatisfied with this progress?

Very satisfied	Somewhat satisfied	Slightly unsatisfied	Very unsatisfied	Don't know / No opinion
15.3%	56.1%	8.6%	6.8%	13.2%
71.4%		15.4%		13.2%

5. Due to the broad scope of the talks on cross-strait investment protection, the government is proceeding with negotiations under the principle that “it is better to sign a good agreement than an early one” to strengthen protections for the rights, interests, and personal safety of the Taiwan people investing in the Mainland. Do

you approve or disapprove of this approach?

Strongly approve	Somewhat approve	Slightly disapprove	Strongly disapprove	Don't know / No opinion
28.1%	50.4%	9.5%	8.4%	3.6%
78.5%		17.9%		3.6%

6. Do you support or not support the government's decision to continue negotiations with the Mainland side on issues related to cross-strait investment protection at the next round of talks?

Strongly support	Somewhat support	Do not support very much	Strongly do not support	Don't know / No opinion
39.7%	43.2%	6.1%	7.7%	3.3%
82.9%		13.8%		3.3%

7. Do you support or not support the continuation of institutionalized cross-strait negotiations to resolve cross-strait exchange issues?

Strongly support	Somewhat support	Do not support very much	Completely do not support	Don't know / No opinion
43.3%	41.5%	5.5%	7.5%	2.2%
84.8%		13.0%		2.2%

8. During the three-plus years of the Ma Administration, the SEF and the ARATS have held seven institutionalized talks and signed 16 agreements. Do you believe this has protected Taiwan's interests or not?

Yes	No	Don't know / No opinion
60.9%	28.7%	10.4%

9. During the three-plus years of the Ma Administration, the SEF and the ARATS have held seven institutionalized talks and signed 16 agreements. Do you believe this has protected Taiwan's national sovereignty or not?

Yes	No	Don't know / No opinion
56.3%	31.8%	11.8%

About Mainland Affairs Council

Overview

The development of cross-strait relations concerns the survival and development of Taiwan, while peace and stability across the Taiwan Strait have long been focuses of concern in the international community. Over the past 60 years of political separation across the Taiwan Strait, the two sides have experienced different phases of military confrontation, exchanges and reconciliation, and conflict and opposition. Since May 2008 when Taiwan completed its second alternation of the ruling party, cross-strait relations have entered into a new historic stage. In his inaugural address, President Ma Ying-jeou conveyed hope that the two sides of the Taiwan Strait could seize this rare opportunity in history to jointly achieve peace and co-prosperity. He noted that, under the principle of “no unification, no independence, and no use of force” which Taiwan’s mainstream public opinion holds, he will maintain the status quo in the Taiwan Strait under the framework of the ROC Constitution. He also encouraged the two sides to adhere to the principles of “facing reality and pioneering a new future; shelving controversies and pursuing a win-win solution” in seeking to strike a balance as each pursues its own interests.

Based on this position, the government has upheld the principle of “putting Taiwan first for the benefit of the people.” It has also adopted new thinking and pragmatic approaches and, under the framework of globalization, actively sought to improve and achieve breakthroughs in cross-strait relations in order to create an environment of reconciliation and peace. Within a very short period of time, the two sides resumed institutionalized cross-strait negotiations after a nearly ten-year break, opening a window of opportunity for dialogues and communication. They have also signed agreements relevant to the rights and interests of the people on both sides, meeting the high expectations of the people on both sides and the international community. This is at the same time of great significance for easing regional tensions.

Facing the possible opportunities and challenges brought by mainland China’s rise, and in view of global and regional economic integration trends, the ROC government prudently and steadily promotes its Mainland policy that closely meets the people’s needs and upholds its national interests as well as the rights and interests of the people. The government also hopes to enhance mutual trust and strengthen exchanges in various aspects through institutionalized cross-strait negotiation channels in order to establish lastingly peaceful cross-strait relations.

Origin of the MAC

Contacts between the people on both sides of the Strait have steadily intensified since the government began allowing family-related visits to the Mainland in November 1987. The Executive Yuan therefore established the “Inter-Agency Mainland Affairs Committee” in August 1988 as a task force to coordinate the handling of Mainland-related affairs among the competent authorities. In April 1990, the government specifically drafted the Organization Act for the Mainland Affairs Council to strengthen Mainland policy-making and to enhance policy implementation efficiency. The third reading of the Act was passed by the Legislative Yuan on January 18, 1991, and it was promulgated by the President on the 28th of the same month, since when the Mainland Affairs Council (MAC) was officially authorized as the agency responsible for overall planning and handling of Mainland affairs.

Organizational Structure of the MAC

Minister and Deputy Ministers

The MAC is headed by a minister in charge of the Council’s overall affairs. It also has three deputy ministers (of whom one is specially appointed and two are politically appointed) that assist with the handling of affairs.

Operational and Administrative Units

The MAC is composed of a minister and three deputy ministers, under which are a secretary-general, seven departments, and three offices to handle operational and administrative affairs. The seven departments are Policy Planning, Cultural and Educational Affairs, Economic Affairs, Legal Affairs, Hong Kong and Macao Affairs, Information and Liaison, and the Secretariat. The three offices are Personnel, Accounting and Civil Servant Ethics. In addition, there are a Taipei Economic & Cultural Office in Hong Kong and a Taipei Economic & Cultural Office in Macao to coordinate and deal with Hong Kong and Macao affairs.

Work System of Mainland Policy

1. Work Division and Responsibilities

The government system in charge of Mainland affairs includes the President, the Executive Yuan, and the related ministries and departments.

The President

The President exercises the decision-making power on major policies by law, whereas the National Security Council follows the President's instructions and is responsible for formulating major policies on national security. When deemed necessary, the President may, *ex officio*, create an advisory body.

Systems for Decision-Making and Implementation of General Policies

The Executive Yuan

The Executive Yuan is responsible for decision-making and implementation of general Mainland policies. In the policy-making process, related agencies serve advisory roles on issues under their respective jurisdictions, with the MAC being responsible for coordination amongst the agencies and review. Once the Executive Yuan reaches a policy decision, implementation falls under the authorities of the respective ministries.

Mainland Affairs Council

The MAC is responsible for comprehensive research, planning, review, and coordination of Mainland policies and affairs, as well as partial implementation of inter-ministerial programs.

Other Ministries

Each ministry is responsible for the research, planning, and implementation of Mainland policies and affairs under its respective jurisdictions

Straits Exchange Foundation

The SEF is authorized by the government to handle cross-strait negotiations, exchanges and service affairs involving public authority.

2. Relations between the MAC and the SEF

The SEF is in nature a civil organization but in practice established mainly to handle Mainland affairs under authorization of the government. Such affairs include cross-strait negotiations, document verification, and cross-strait service work involving public authority. Relations between the SEF and the MAC can be summarized into two aspects:

Supervisor and Supervised

Pursuant to related articles such as Article 4 of the Act Governing Relations between People of the Taiwan Area and the Mainland Area, Article 32 of the Civil Code, and Article 3 of the Organization Act for the Mainland Affairs Council, the MAC has the authority to direct and supervise the SEF's work.

Principal and Agent

Another legally stipulated level of relations between the MAC and the SEF is that of principal and agent governed by special supervisory procedures. The obligations and responsibilities between the MAC and the SEF are set in contractual terms, and the range of supervision is limited to matters entrusted. All contacts between the two organizations, such as instructions, report requests, and enforcement, must comply with terms of the contract.

Government's Mainland Policy

1. Objectives of Mainland Policy

The main objectives of the government's Mainland policy are:

Stabilization: Maintaining peace across the Taiwan Strait and the stable development of benign interactions in cross-strait relations to ensure Taiwan's survival, security, and prosperity, as well as stability in this region;

Institutionalization: Sequentially and steadily promoting policy measures for cross-strait economic and trade contacts and various exchanges, maintaining the stable and orderly operation of institutionalized cross-strait negotiation mechanisms, and ensuring the rights, interests, well-being, and dignity of the people of Taiwan;

Globalization: In line with the thinking of globalization, establishing an open and free environment for Taiwan to link with the world so as to enhance its national competitiveness.

2. Principles of Mainland Policy

Developing normal cross-strait relations under the principle of "Putting Taiwan first for the benefit of the people"

Cross-strait peace should be established on the principle that Taiwan "must prosper, must be secure, and must have dignity." The government has consistently upheld the principle of "putting Taiwan first for the benefit of the people." It has also actively developed cross-strait relations on the premise of "no unification, no independence, no use of force" and "maintaining the status quo", while applying an overall economic development strategy of "deeply cultivating Taiwan and linking with the world" to actively seek to link with the world and then enhance its national competitiveness.

Promoting equal cross-strait negotiations under the principle of "shelving controversies and pursuing a win-win solution"

In order for cross-strait relations to steadily develop, the two sides should, in the current phase, put aside unnecessary political disputes and pragmatically face up to the cross-strait status quo. The two sides should also, through existing institutionalized cross-strait negotiation channels, hold equal negotiations to address and resolve various issues emerging from cross-strait economic, cultural and social exchanges, so as to uphold the rights and interests of the people on both sides. This is the only way to gradually establish mutual trust and promote benign interactions between the two sides.

"Minimizing threats and maximizing opportunities" in cross-strait exchanges and interactions

In view of the steady rise in mainland China's national power and facing up to the

trend of globalization, Taiwan cannot limit itself by viewing the development pace and achievements of mainland China only as threats. In the course of cross-strait exchanges and interactions, Taiwan should make the best of its advantages to “minimize threats and maximize opportunities” and thereby create niches.

Under the thinking of “flexible diplomacy,” promoting a win-win reconciliation between the two sides in the international arena

Ensuring the survival, security and development of the Republic of China depends not only on possessing a solid national defense, but also on having dignified and autonomous international space, which is also an important key to the long-term benign development of cross-strait relations. Therefore, the government has adopted the thinking of “flexible diplomacy” and adhered firmly to the guiding principles of “dignity, autonomy, pragmatism, and flexibility” in handling foreign relations, seeking broader international space and promoting cross-strait reconciliation in the international arena. It hopes that, in the future, the two sides can mutually respect each other, respectively do their best, and go forward together. They can even cooperate and jointly contribute to the international community.

Institutionalized Cross-Strait Negotiations

1. Replacing Confrontation with Negotiations, Gradually Building Mutual Trust, and Establishing Orderly Exchanges

Dialogues and negotiations are key indicators in promoting the normal development of cross-strait relations. Since May 20, 2008, the government has resumed institutionalized negotiations between the SEF and the ARATS and upheld the principles of “reciprocity and dignity”, “easy issues first and difficult issues later,” “urgent issues first and less pressing issues later,” and “economic issues first and political issues later.” On this basis, Taiwan government officials can now negotiate face-to-face with officials of the other side and direct liaison mechanisms between the operational competent authorities of the two sides can be established to gradually resolve various problems resulted from cross-strait exchanges through pragmatic negotiations. Besides, with the signing of cross-strait agreements, the two sides have set basic rules for cross-strait economic and trade activities, regulated the order of exchanges, and opened a new route for Taiwan’s economy to link with the world.

2. Achievements of the Chiang-Chen Talks

Cross-strait negotiations have realized the long-held hopes for direct cross-strait sea and air transport links and allowing Mainland tourists to visit Taiwan. Direct cross-strait transportation links save time and improve convenience, while allowing Mainland tourists to visit Taiwan effectively promotes the development of Taiwan’s tourism industry and broadens understanding of a free and democratic Taiwan. In addition, the two sides have signed a Cross-Strait Financial Cooperation Agreement to lay a profound and solid foundation for further promotion of cross-strait financial cooperation. They have also reached a consensus on actively promoting Mainland investment in Taiwan. Furthermore, the two sides signed the Cross-Strait Food Safety Agreement, establishing a food safety management system to ensure the people’s food safety; they also signed an agreement on joint crime fighting and judicial mutual assistance to actively establish cooperation mechanisms so as to maintain the order of cross-strait exchanges and protect the people’s personal safety, property, and judicial rights. In 2009, the two sides signed the Cross-Strait Arrangement on Cooperation of Agricultural Product Quarantine and Inspection, the Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation, and the Cross-Strait Agreement on the Cooperation in Respect of Fishing Crew Affairs. These agreements have active effects on promoting cross-strait agricultural product safety and industrial cooperation, as well as on safeguarding the rights, interests and well being of the people. In 2010, the two sides signed the Cross-Strait Economic Cooperation Framework Agreement (ECFA), the Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation and the Cross-Strait Agreement on Medical and Health Cooperation. The Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation establishes an interactive mechanism for institutionalized copyright protections, exchanges and cooperation. On

the other hand, the Cross-Strait Agreement on Medical and Health Cooperation will establish an institutionalized cooperation mechanism to strictly control public health.

3. The ECFA Will Help Institutionalize Cross-Strait Economic and Trade Relations and Internationalize Taiwan's Economy

Cross-strait economic and trade exchanges have intensified, but there has been a lack of related institutional guarantees; therefore, the signing of the Cross-Strait Economic Cooperation Framework Agreement (ECFA) in June 2010 has major significance for Taiwan's economic development and sets a new milestone for cross-strait economic cooperation. The ECFA not only enables Taiwan to escape from the threat of economic marginalization, but also moves cross-strait economic and trade towards mutually beneficial cooperation. Under an institutionalized framework, the ECFA creates more business and employment opportunities for Taiwan. It will also help accelerate Asian economic integration and position Taiwan as a springboard for foreign enterprises to enter the Mainland market.

The ECFA came into effect on September 12, 2010; and on January 1, 2011, tariffs began to fall or were eliminated on items covered under the ECFA early harvest list. This will mitigate some of the competitive threats posed by the integration of the ASEAN and the Mainland economies. At the same time, the Cross-Strait Economic Cooperation Committee has been established under the SEF-ARATS framework to serve as an ECFA negotiation platform and liaison mechanism for handling affairs related to ECFA follow-up negotiations and implementation of the Agreement.

The ECFA is an important indicator of the development of cross-strait relations. The international community has broadly affirmed the Agreement, including the U.S. and mainland China, who issued a joint communiqué publicly praising the Agreement. The ECFA will put Taiwan's foreign trade on an equal footing and institutionalize cross-strait economic and trade exchanges, as well as further motivate other countries to sign free trade agreements with Taiwan so as to advance Taiwan's international linkages.

4. Majority of the Public Support Cross-Strait Negotiations

The government has been promoting cross-strait negotiations on various issues based on the principle of "national need, public support, and legislative oversight." By law, all signed cross-strait agreements must be submitted to the Legislative Yuan for a high-level of legislative oversight. Over the past more than three years, the mode of institutionalized cross-strait negotiations and the various agreements have all won the support of the majority of the people in Taiwan. This high degree of public support has further ensured the government that institutionalized negotiations are the best course for addressing the complex cross-strait situation and stabilizing relations between the two sides. The government will therefore advance resolutely and soundly in this direction.

Important Documents on the Government's Mainland Policy

Published by the Mainland Affairs Council, Executive Yuan,
Republic of China

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Publishing Date: December 2011 (8th Edition)

eEdition:

<http://www.mac.gov.tw/public/MMO/RPIR/book530.pdf>

GPN: 1010004342

ISBN: 978-986-03-0687-3 (paperback)



ISBN 978-986-03-0687-3



9 789860 306873

GPN 1010004342

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